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# ***Daily Report***

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## **China**

**FBIS-CHI-94-084  
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# Daily Report China

FBIS-CHI-94-084

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2 May 1994

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Spokesman Comments on MFN, Nuclear Testing

OW3004003294 Beijing China Radio International in English to Western North America 0400 GMT 29 Apr 94

[From the "Current Affairs" program]

[Text] China has urged the U.S. Government to abide by the 1982 Sino-U.S. Joint Communiqué on U.S. arms sales to Taiwan. At a weekly press conference on Thursday [28 April], Chinese Foreign Ministry's Wu Jianmin made the statement in response to the U.S. adoption of a new legislation.

The modified Murkowski Amendment was adopted ten days ago by the joint conference of the U.S. Senate and the House of Representatives. The document asserts that the Taiwan Relations Act takes primacy over the 1982 Sino-U.S. Joint Communiqué in which the two governments pledged to resolve the issue of U.S. arms sales to Taiwan. Foreign Ministry spokesman Wu Jianmin criticized the American legislation, saying its essence negates the bilateral communiqué. Wu Jianmin said the modified amendment not only undermines the relations between the two countries, but sets up obstacles to the reunification of China's Mainland and Taiwan. He urged the U.S. Government to abide by the guiding principle governing bilateral ties and take immediate measures to keep Sino-U.S. relations from serious harm.

On another issue concerning the U.S., spokesman Wu Jianmin expressed opposition to a reported meeting between President Bill Clinton and the Dalai Lama. Wu Jianmin said Dalai is not only a religious leader, but a political exile. And for a long time, he has engaged in activities aiming to split China. Therefore, the spokesman concluded any official meeting with the Dalai Lama is an act of support for a separatist attempt and amounts to an interference in China's domestic affairs.

The Chinese Foreign Ministry spokesman also dismissed the linkage between the MFN [most-favored nation] status and China's nuclear tests. Reports say some American legislators have warned that China's continued nuclear testing will do no good to the likelihood of the U.S. extending its tariff privileges. The spokesman said: among the world's five nuclear states, China has conducted the smallest number of nuclear tests, which account for only four percent of U.S. testing.

Finally, Wu Jianmin described the report that China has sent an additional 30,000 troops to Tibet and deployed them along the border with India as a sheer fabrication. Wu Jianmin said such a report has an ulterior motive. He said China and India signed an agreement on the maintenance of peace and tranquility last year and have begun to negotiate on troop reduction along the line of actual control.

For China Radio International, I am (Li Peiquan).

### Chen Muhua To Receive UNICEF Award for China

OW3004043094 Beijing XINHUA in English 0324 GMT 30 Apr 94

[Text] New York, April 29 (XINHUA)—Chen Muhua, vice-chairman of China's National People's Congress, arrived here today to receive a reward by the United Nations Children's Fund (UNICEF).

UNICEF will present its Maurice Pate Award, which includes a 25,000 U.S. dollars stipend, on May 2, to the All-China Women's Federation, whose president now is Chen Muhua.

The All-China Women's Federation is selected for its exemplary leadership in promoting the well-being of children and women on a nationwide scale.

The award, named in honour of the first UNICEF executive director, is given annually for extraordinary and exemplary leadership in, and contribution to, advancement of the survival, protection and development of children.

It is the first time the reward has been given to China.

### Contact Group Fails To Narrow Serb-Muslim Differences

OW3004062494 Beijing XINHUA in English 0517 GMT 30 Apr 94

[Text] Belgrade, April 29 (XINHUA)—Western and Russian mediators have failed to narrow differences between Muslims and Bosnian Serbs on a cease-fire to revive peace talks.

A meeting between the newly formed "Contact Group" and Bosnian Serb leader Radovan Karadzic in the Bosnian Serb stronghold of Pale near Sarajevo on Friday [29 April] appeared to make little progress, reports reaching here said.

During the two-hour meeting, Serb leaders insisted on an overall permanent cease-fire in Bosnia, reports quoted the mediators as saying.

On Thursday, Muslim leader Alija Izetbegovic proposed a temporary truce of two to three months to allow time for a settlement of territorial disputes.

Bosnian Muslims fear that a permanent cease-fire would allow the Serbs to hold on to captured land, stalling a final peace settlement.

The "Contact Group", consisting of representatives from Russia, the United States, the European Union (EU) and the United Nations, headed to Sarajevo for another meeting with Izetbegovic.



Before leaving Pale, Charles Redman, the U.S. representative of the group, stressed that differences between Serbs and Muslims over the length of a proposed cease-fire must be overcome before peace talks could resume.

Also on Thursday, Russian Foreign Minister Andrey Kozyrev reportedly proposed an interim one-year cease-fire to seek a final settlement in Bosnia. If a settlement is not then reached, a high-level conference can be convened for arbitration.

The mediation team, faced with the task of securing a cease-fire of at least three months and a division of Bosnia, is preparing a report for discussion at a ministerial meeting on Bosnia.

A member of the team was quoted by local media as saying that the difficulty will not be how much land the warring parties get, but rather which land.

After meeting with the "Contact Group", Izetbegovic raised new conditions for the resumption of peace talks, demanding that the world community formally recognize the territorial integrity of Bosnia-Herzegovina.

He also asked that Serb forces "withdraw from the occupied Muslim and Croat territories" as a precondition for new peace talks.

On Thursday, both Britain and the U.S. urged the three warring parties—Serbs, Muslims and Croats—to come to the negotiating table and make "constructive efforts" in a new round of peace talks.

#### **Iran, Croatia, Bosnia To Cooperate on Balkan Crisis**

*OW0105203994 Beijing XINHUA in English 2004 GMT 1 May 94*

[Text] Tehran, May 1 (XINHUA)—Iran, Croatia and Bosnia today issued a joint communique to launch a trilateral cooperation in a bid to resolve the Bosnia crisis.

Croatian Prime Minister Nikica Valentic said here today that they reached agreements in the trilateral negotiations on resolving the Bosnian crisis and sending humanitarian aid to the Moslems in Bosnia.

According to the communique, any territorial claim of the neighboring countries of Bosnia-Herzegovina and Croatia was condemned and border disputes had to be settled without recourse to violence.

The communique said that the Serbs should immediately withdraw from areas occupied by force and to allow the return of all refugees dispersed in Croatia and other countries to their homes, as well as in other areas in Bosnia-Herzegovina.

Talking to reporters before his departure, Valentic said that his government believed that there was a good chance that Serbs would also attack Macedonia, Kosovo and Sanjak in view of their aggressive policies.

He said that international organizations and UN Security Council should implement their resolutions issued concerning Bosnia and not to allow Serbs to continue their aggressions.

Iran's First Vice-President Hasan Habibi said that the three countries agreed on almost all issues concerning a trilateral cooperation among the three countries.

Habibi said that the negotiations resulted in setting up a joint commission between Iran, Croatia and Bosnia-Herzegovina to expand economic cooperation and to provide access to open seas for Bosnia through Croatia.

According to Iranian official news agency IRNA, three protocols were signed by Valentic and Iranian officials on transportation, cultural, social, commercial and technical cooperation.

#### **XINHUA Reports Christopher's Arrival in Damascus**

*OW3004133294 Beijing XINHUA in English 1311 GMT 30 Apr 94*

[Text] Damascus, April 30 (XINHUA)—U.S. Secretary of State Warren Christopher arrived here from Israel this afternoon to mediate for the Middle East peace process.

He was met by Syrian Foreign Minister Faruq al-Shar' at Damascus International Airport.

Christopher came 4 hours later than what was scheduled and the American Embassy here did not explain the reason.

He is going to hold talks with Syrian President Hafiz al-Asad and hand him the Israeli peace plan on returning the Golan Heights to Syria. Israel seized the Golan in the 1967 Middle East war.

According to a statement issued Friday [29 April] by Israeli Prime Minister Yitzhaq Rabin, the Israeli plan includes Israeli perspective on phased withdrawal from the plateau and normalization of relations between the two countries.

Christopher stated in Israel Friday that he is going to hold important talks here to revive the Syrian-Israeli talks.

He said that the aim the U.S. tries to reach is establishing a just and comprehensive peace in the region, something which necessitates enhancing the talks on the Syrian-Israeli track.

During his current Mideast tour, Christopher has already visited Saudi Arabia, Egypt and Israel.

**Correction to Dissident Wang Jiaqi Arrives in New York**

HK2904024494

The following correction pertains to the item headlined "Dissident Wang Jiaqi Arrives in New York via London," published in the General section of the 28 April China DAILY REPORT, pages 3 and 4:

Page 4, column one, first full paragraph, second sentence, make read: ...had worked in Hebei Province's Tangshan City... (correcting province).

**United States & General**

**Clinton's Meeting With Dalai Lama Called 'Interference'**

HK2904121894 Hong Kong AFP in English 1200 GMT 29 Apr 94

[Text] Beijing, April 29 (AFP)—Beijing denounced Friday the meeting in Washington between President Bill Clinton and Tibet's exiled spiritual leader, the Dalai Lama, as "severe interference" in China's internal affairs.

"The meeting ran counter to the position of recognising Tibet as a part of China's territory, which the United States has repeatedly asserted, and constitutes a severe interference in China's internal affairs," a Foreign Ministry spokesman said. According to the White House, Clinton joined a meeting Thursday between the Dalai Lama and Vice President Al Gore to discuss efforts to initiate a dialogue with the Chinese leadership on the future of Tibet.

The meeting had gone ahead "despite the repeated representations and opposition of the Chinese government," the spokesman said.

"We demand that the US side keep up its commitment to recognising Tibet as a part of China...and refrain from taking actions which may undermine Sino-US relations," he added. Chinese communist forces moved into Tibet in 1951 and took control of the Himalayan region. The United States has repeatedly cited the example of Tibet when criticising the human rights situation in China.

The spokesman also slammed the passage through the U.S. Congress of a foreign operations bill that grants 30 million dollars for the creation of a U.S. radio network to broadcast into China, including Tibet, and other Asian nations. The real motive behind the establishment of Radio Free Asia "is to make use of the media to interfere in the domestic affairs of China and other Asian countries," the spokesman said. "The move by the US Congress constitutes an encroachment upon the universally acknowledged basic norms governing international relations."

Together with progress in human rights, one of Clinton's preconditions for the renewal in June of China's preferential trading status is allow foreign radio broadcasts into the country.

China has repeatedly blocked Voice of America broadcasts in the past.

**Editorial Questions Timing of Clinton-Dalai Lama Meeting**

HK3004075294 Hong Kong TA KUNG PAO in Chinese 30 Apr 94 p 2

[Editorial: "Why Has the U.S. President Met the Dalai Lama at This Time?"]

[Text] U.S. President Clinton and Vice President Gore met the Dalai Lama in the White House on Thursday [28 April], and they allegedly discussed Tibet's religious and cultural rights.

People will ask: Why has Clinton met the Dalai Lama at this time?

Let us consult a White House statement: "The United States cares about these problems, especially at a time when the United States is examining the conditions for extending China's most-favored-nation [MFN] trading status."

That is the reason! The U.S. Government once again wants to link trade with politics, treating Tibet's religious and cultural situations as a condition for extending China's MFN trading status.

Concerning the issue of extending China's MFN trading status, the U.S. Government truly has an endless list of things to link to it. Yesterday it wanted to link it to China's lawful handling of the cases of Han Dongfang and Wei Jingsheng; today it wants to link it to Tibet's religious and cultural conditions described by the Dalai Lama; and tomorrow and the day after tomorrow, perhaps, it will want to link it to Beijing's lawful handling of some criminals who jeopardize the country's security and interests. The United States likes to comment unduly on the internal affairs of other countries, and give instructions and orders; it has frequently used MFN status to harass and bully other countries. This is a total violation of the basic norms of international relations as well as an embodiment of power politics.

Not long ago, a British Parliament's Foreign Affairs Committee report attacked the human rights situation in Tibet, and said that the Foreign Office was "deeply concerned" about Tibet's "human rights" as well as "culture and religion," and that "the world cannot turn a blind eye to the Tibet problem." Was it because the Dalai Lama was "encouraged" by this British report that he immediately rushed to the United States to "report"

to Clinton? Or was it because Clinton wanted to coordinate with Britain and summoned the Dalai Lama for a "discussion?" If that was the case, then what tacit coordination!

Tibet is an inseparable part of China. Under the leadership of the CPC, it cast off its extremely backward feudal serf system and embarked upon a broad and bright road of freedom, happiness, and modernization; its society and economy has experienced earth-shaking changes, and its human rights situation has completely improved.

Respect for and protection of religious freedom is a basic policy of the Chinese Government. Departments at various levels in Tibet have seriously implemented this policy and have won praise from the broad masses of monks and people. During the period of the National People's Congress in March, a Living Buddha from Xigaze's Zhaxilhunbo Monastery said at a news conference for Chinese and foreign reporters: "The policy of freedom of religious beliefs currently practiced in Tibet is protected by the constitution. In recent years, Tibet has spent 200 million yuan to repair its monasteries. At present, Tibet has more than 1,400 monasteries, which basically satisfy the Buddha-worshipping activities of the people in the localities." Whoever has visited Tibet can tell you that everywhere one can see long narrow flags with Buddhist Scripture written on them hung by believers, piled up Buddhist stacks, and—both inside and outside the well-known monasteries—crowds of believers who kowtow, turn the Buddhist wheels, and come for pilgrimage.

Education and culture are developing very rapidly in Tibet. The state has invested more than 1.1 billion yuan in developing education in Tibet. The government pays all the tuition fees for Tibetan students, from the time when they enter primary schools to the time they graduate from universities. Some primary and middle school students of Tibetan nationality are also provided with clothing, food, and accommodations. The fine traditions and culture in Tibet have been protected and have been able to develop. The Tibetan language is used throughout the region, Tibet's cultural relics are thoroughly protected, and its traditional customs are widely respected. Modern cultures and facilities are constantly coming into Tibet, going to the households of many Tibetan compatriots.

There is a world of difference between the new Tibet and the old one. No one can deny this.

It has been more than three decades now since the Dalai Lama fled the country. With the purpose of splitting the motherland, he has ignored the facts, fabricated lies, attacked China's Tibet policy, slandered the human rights situation in Tibet, instigated and planned disturbances in the Tibetan region, and vigorously preached "Tibetan independence." He has not changed his deeds after being persuaded repeatedly; rather, he has intensified his efforts. Now he has met Clinton. Can we believe that he has not slandered and created rumors about

Tibet's religious and cultural conditions in front of Clinton? How pitiful if a U.S. President were to pick up several chicken feathers (lies) from the Dalai Lama and view them as tokens of authority for attacking China, or as a reference for when he decides whether to extend China's MFN trading status!

According to a REUTER report, despite repeated explanations and objections by the Chinese Government, the U.S. side still arranged for its President and vice president to meet the Dalai Lama. This indicates that the United States has drifted away from its commitment to regard Tibet as a part of China and has trampled upon the basic norm of "not interfering in the internal affairs of other countries" when handling international relations.

It goes without saying that businessmen in the United States are generally optimistic about the Chinese market. They are demanding stronger economic cooperation with China and an unconditional extension of its MFN trading status. If those in power in the United States ignore the wishes of the commercial circles and the overall interests of their country, and take the Dalai Lama's lies as a reference when deciding whether to extend China's MFN trading status, then—as asserted by Wu Yi, minister of foreign trade and economic cooperation—"MFN status is two-sided; if the United States revokes China's MFN status, then China can also revoke the United States' MFN status. If a confrontation arises between China and the United States over MFN status, neither side will be a winner."

#### Vice Premier Zou Jiahua Visits AT&T, IBM

OW0105121394 Beijing XINHUA Domestic Service in Chinese 1107 GMT 29 Apr 94

[By reporter Ying Qian (2019 6197)]

[Text] Morristown (New Jersey), 28 Apr (XINHUA)—Vice Premier of the State Council Zou Jiahua, who is now in the United States, visited the world-famous American Telephone and Telegraph Company (AT&T) and International Business Machine Company (IBM) on 28 April. He also attended signing ceremonies for cooperation agreements and memorandums between relevant Chinese departments and those two companies.

AT&T, based near Morristown, New Jersey, is known as the top leader in world telecommunications technology. It has branch companies and business operations in over 140 countries and regions. The total number of its employees exceeded 340,000 and its business turnover topped \$67 billion in 1993.

When arriving at the Bell Laboratory, which is called "The Jewel on the Crown" of this company, Zou Jiahua and his party were warmly welcomed by company's executives, director of the laboratory, and other staff members. Nobel laureate in Physics Dr. Arno Penzias, who is vice president of AT&T and in charge of the company's research work, briefed the Chinese guests on



basic research and new product development of the Bell Laboratory. Dr. (John Mayo), director of the laboratory, accompanied the Chinese guests to tour the sites of the laboratory where materials such as laser semiconductor, optical fiber, and submarine optical cable were developed. At noon, Zou Jiahua went to Park Ridge, headquarters of AT&T, and met with Robert Allen, president of AT&T. They attended a signing ceremony of an agreement in principle on implementing the memorandum for a comprehensive and long-term cooperation between China's State Planning Commission and AT&T. They agreed that the signing of this agreement would lay a foundation for long-term and friendly cooperation between relevant Chinese departments and AT&T. Allen said that AT&T is striving to become China's "most reliable strategic cooperation partner" in the area of communications technology and computer. Zou Jiahua praised this company's consistent friendship toward China and expressed the hope that the pace of the development of such a cooperative relationship would "be further accelerated."

On the same afternoon, Zou Jiahua and his party traveled about 160 km by cars to White Plains in the State of New York and held talks with Louis Gerstner, chairman of IBM, and others. Both sides carried out in-depth discussion on technological cooperation. China's Ministry of Electronics Industry signed a letter of intent on technological cooperation with this company there. Gerstner expressed the hope that the signing of the letter of intent on cooperation would become a new starting point for cooperation between IBM and China and would contribute to the development of the United States and China.

#### **Canadian Foreign Minister, Zou Jiahua Hold Talks**

OW0105084994 Beijing XINHUA Domestic Service in Chinese 1209 GMT 27 Apr 94

[Text] Ottawa, 26 Apr (XINHUA)—At a meeting with Chinese Vice Premier Zou Jiahua in Ottawa on 26 April, Andre Ouellet, Canadian minister of external affairs, said: The Canadian Government is willing to expand and strengthen Canadian-Chinese ties. This will help promote world peace and security as well as develop world economy.

Ouellet said he believes friendly and cooperative ties between the two countries will reach a new level under joint efforts by both sides. He said he is looking forward to his visit to China this July.

Zou Jiahua said: China and Canada share a wide-ranging common interest in such aspects as preserving peace and stability in the Asia-Pacific region and other regions in the world, promoting regional economic cooperation, and improving human environment. The expansion of Sino-Canadian exchanges and cooperation in such fields as economics, trade, science, and technology conforms to the fundamental interest of peoples in both countries.

He said: By strengthening consultations and cooperation in international and regional issues, China and Canada will produce a positive impact on promoting peace and development in the world, particularly the Pacific region. He said: The Chinese Government will continue its efforts to promote Sino-Canadian friendly and cooperative ties.

Sheila Copps, Canadian deputy prime minister and minister of environment, in the evening of 26 April gave a banquet in honor of Vice Premier Zou Jiahua and his entourage. In their speeches, Copps and Zou Jiahua emphasized that China and Canada could complement each other in economics and trade, and should therefore further strengthen mutually beneficial cooperation.

#### **'Roundup' Views Zou Jiahua's Visit to Canada**

OW0105104694 Beijing XINHUA Domestic Service in Chinese 1608 GMT 29 Apr 94

["Roundup" by reporter Tang Yongxing (0781 3057 5281): "A Visit Promoting Sino-Canadian Economic Cooperation and Trade"]

[Text] Ottawa, 28 Apr (XINHUA)—Vice Premier Zou Jiahua wound up his 10-day visit to Canada. His visit has promoted the economic cooperation and trade between China and Canada and created an opportunity for further developing the bilateral relations.

Zou Jiahua was one of the two Chinese vice premiers who visited Canada over the past year. The visits to Canada by two Chinese leaders during the past one year show the importance China attaches to the development of the Sino-Canadian relations. Likewise, Canada also attaches great importance to Zou Jiahua's visit.

While Vice Premier Zhu Rongji's visit to Canada last May restored the momentum of development for the Sino-Canadian relations, Zou Jiahua's recent visit provided an opportunity for the leaders of the two countries to discuss ways to expand further the bilateral economic cooperation and trade for years to come.

During the visit, Zou Jiahua met with Prime Minister Chretien and all the principal members of the Canadian cabinet. A consensus among them is that the Sino-Canadian cooperation from now on will mainly be in the fields of infrastructure, such as electric power, telecommunications, transport, aviation, and petroleum and natural gas, as well as in service trade.

During Zou Jiahua's visit, the two countries signed four cooperation agreements on telecommunications. According to the agreements, the Canadian Government will extend a loan of 200 million Canadian dollars (approximately \$150 million) to China for the establishment of joint ventures and for scientific research projects. Zou Jiahua and Canadian leaders spoke highly of the four agreements.



During his visit, Zou Jiahua met with the governors of four Canadian provinces and held discussion with Canadian entrepreneurs. They showed great interest in expanding economic cooperation and trade with China, particularly in investment in China.

During his meeting with Prime Minister Chretien, Zou Jiahua pointed out: China and Canada are having an unusual opportunity to develop their relations, and a great deal can be done by the two countries to strengthen their mutually beneficial cooperation. Chretien said that both Canada and China are vast in area with abundant resources, each having its strong points; and there is a great potential for them to promote mutually beneficial cooperation. He believed that Zou Jiahua's visit would certainly promote further the economic cooperation and trade between Canada and China.

#### **Official Dies in Los Angeles While on Business Trip**

OW0105101594 Beijing XINHUA Domestic Service in Chinese 2120 GMT 27 Apr 94

[Excerpt] Beijing, 28 Apr (XINHUA)—He Zhihua, vice president of the China Food Industry Association and former vice minister of light industry and member of the party group of the ministry, suddenly fell sick and died despite medical help on 11 April in Los Angeles of the United States after leading a delegation on a fact-finding tour of the United States. He was 71. [passage omitted]

#### **Chinese Scholar Named Head of Sino-U.S. Computer Committee**

OW2904142694 Beijing XINHUA in English 1326 GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—Chinese scholar Li Zhibin has recently been appointed as the chairman of the Sino-American Computer and International Software Development Bilateral Committee.

This was announced here today by A. Natrass, executive board member of the Sino-American Trade Development Council.

Li, an associate professor of the Institute of Software of the Chinese Academy of Sciences, was chosen from an impressive list of nominees from the United States and China.

Natrass said that Li's appointment is a credit to the very high standard of expertise in China in the field of international software development.

Robert E. Goodman, chairman of the Sino-American Trade Development Council, said that the 12-member bilateral committee, composed of distinguished computer experts from both the United States and China, would play a vital role in advancing cooperation between the two countries in the field of international software and computer development.

The chairman also paid tribute to the Chinese Government's efforts and commitment to advancing technology to meet the needs of the computer age and said that U.S. business needs the Chinese to collaborate on mutually beneficial partnerships in the vital area of computer and software development.

At a press conference here today, Natrass also said that the Sino-American Trade Development Council has recommended to President Bill Clinton to renew China's most favored nation (MFN) status unconditionally and permanently, and his council predicted that the United States would do so.

The Sino-American Trade Development Council was formed last year in Washington with a goal of helping set up cooperation between China and America in the fields of economic development, cultural understanding and business relations as well as bridging the gap between medium and small business enterprises of the two countries.

#### **Government Responds To U.S. Requests on Transshipments**

HK2704115794 Beijing ZHONGGUO XINWEN SHE in Chinese 1302 GMT 10 Apr 94

[By Wang Dongyun (3769 0392 0061): "China Punishes 21 Chinese and Foreign Enterprises Involved in Illegal Textile Transshipments"]

[Text] Guangzhou 10 Apr (ZHONGGUO XINWEN SHE)—This reporter has learned from the Fourth National Work Meeting on Cracking Down on Illegal Textile Transshipment Activities, which was held here today, that to date, the relevant departments of the Chinese Government had meted out severe punishment to 21 domestic manufacturing plants and export enterprises and foreign enterprises involved in illegal textile transshipment.

It was learned that Chinese and foreign enterprises, namely the Dongmao Enterprise Company Limited of Shenyang City, the Guangyu Shareholding Xiamen Company of Fujian Province, and the Shifa Garment Company Limited and the Yongjia Garment Plant Company Limited of Shantou City in Guangdong Province were named public; exchanges with Hong Kong's Daguo Company and the ROK's Dongqing Trading Company Limited and Taiyuan Trading Company Limited have been banned; and the Shanghai office of Hong Kong's Linghua Company was closed down.

It was learned that since 1990, the U.S. side had presented the Chinese Government with a total of 69 cases of illegal textile transshipment and had asked the Chinese side to conduct comprehensive investigations into them. To date, the Chinese Government has given notice of the results of 47 investigations cases to the U.S. side through the U.S. Embassy in China. The remaining 22 cases are still under investigation.

Viewed from the results of the investigations, not many of the Chinese export or manufacturing enterprises really intended to bypass management quotas on textiles or to engage in illegal transshipments, and most of these were innocently involved. For example, they took part in illegal transshipments planned by businessmen in Hong Kong and other regions without knowing that such activities were illegal. Only a few lawless enterprises planned and carried out illegal textile transshipments, seeking exorbitant profits and ignoring the overall interests of the country.

Viewed from cases provided by the U.S. side and from the results of investigations conducted by the Chinese side, the range of enterprises involved in illegal transshipments is quite wide at present. These include enterprises engaged in three forms of import processing and compensation trade, foreign-invested enterprises, enterprises engaged in special foreign trade, representative offices of foreign businessmen in China, and manufacturing enterprises which are not authorized to take part in foreign trade. Since foreign-invested enterprises and township and town enterprises know very little about illegal textile transshipments, more problems are found among them.

The meeting reaffirmed that in stopping and cracking down on illegal textile transshipments, the Chinese Government would, as before, adopt a resolute stand and attitude, severely punish enterprises which are engaged in illegal transshipments, and take necessary measures to prevent the occurrence of this kind of illegal activity.

### Central Eurasia

#### Li Peng Meets Embassy Staff in Kazakhstan

OW0105094894 Beijing XINHUA Domestic Service in Chinese 1319 GMT 26 Apr 94

[By reporter Hu Xiaoguang (5170 2556 0342)]

[Text] Almaty, 26 Apr (XINHUA)—Premier of the State Council Li Peng, who is now on a visit here, met this afternoon with the entire staff members of the Chinese Embassy in Kazakhstan and representatives of the Chinese enterprises in Kazakhstan at the state guesthouse.

Premier Li Peng gave a positive appraisal to the efforts that the staff members of the embassy have made for developing the Sino-Kazakh relationship. He also encouraged them to work harder to contribute to the friendship between China and Kazakhstan.

#### Li Peng Affirms Entrepreneurs' Role in Central Asia Visit

OW0105084294 Beijing XINHUA Domestic Service in Chinese 1752 GMT 27 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Zhou Shuchun (0719 2885 2504)]

[Text] Almaty, 27 Apr (XINHUA)—The Chinese entrepreneurs delegation accompanying Premier Li Peng during his visit to four Central Asian nations had extensive contacts with the enterprise circles of the host countries during the visits and signed more than 20 cooperation documents, achieving fruitful results.

As of today, representatives of the five large enterprises who accompanied Premier Li Peng have signed four agreements, two contracts, and more than 20 letters of intent on economic cooperation in petroleum, natural gas, construction, metallurgy, textiles, electronics, and other industries.

At a recent meeting with the entrepreneurs' delegation, Li Peng said: This is the first time a Chinese entrepreneurs' delegation has accompanied a state leader on a foreign tour. This is a beneficial experiment. Good results have been achieved and we may continue the practice. In developing economic and trade cooperation with Central Asian nations, Chinese enterprises should give play to their own strengths and fully use the resources of the countries with which they cooperate. Cooperation must be on an equal and mutually beneficial basis, and we must take reality into consideration and pay attention to the economic results of cooperation.

Li Peng also pointed out: We must pay special attention to the quality of Chinese export products and must prevent counterfeit, fake, and substandard products from entering Central Asian markets. At the same time, we should protect the Chinese people's legal business activities in the area and crack down on speculation and profiteering.

Li Peng stressed the importance of building a modern "silk road" between China and Central Asian countries, saying that without a free transportation channel, it will be difficult to greatly develop economic and trade relations with these countries.

Zheng Hongye, head of the Chinese entrepreneurs' delegation and president of the China Council for the Promotion of International Trade; and persons in charge of China Construction Engineering Corporation, China Petroleum and Natural Gas Corporation, China Steel Industry Trade Group, China Textile Products Import and Export Corporation, and China Electronics Product Import and Export Corporation, who accompanied Premier Li Peng on his visit, jointly held a news conference this afternoon to brief reporters on their companies' trade talks results.

They unanimously said: Chinese and Central Asian countries' economies are highly complementary to each other and the potential for cooperation is huge. As the cooperation climate improves, the level and quality of cooperation gradually will be raised. Chinese enterprises should be farsighted in developing economic cooperation with these countries.

**Li Peng Joins Aides in Singing During Flight***OW0105131394 Beijing XINHUA Domestic Service in Chinese 1250 GMT 28 Apr 94*

[“Feature” by reporter Zhou Shuchun (0719 2885 2504): “A Relaxed Moment”]

[Text] Almaty, 28 Apr (XINHUA)—Soon after the CAAC Boeing-767 special plane with Premier Li Peng and his party on board took off from Almaty, the atmosphere in the cabin became lively.

Over the last 10 days, Premier Li Peng had nearly 20 rounds of talks and meetings with leaders of the Central Asian nations; repeatedly met with the people from various circles of those countries; delivered speeches, signed documents, and met the press more than once there. The itinerary was quite tight. Vice Foreign Minister Dai Bingguo, who accompanied Premier Li Peng on the Central Asia tour and served as secretary general of the delegation, suggested a performance of talents by those present, obviously trying to create a relaxed atmosphere after the busy visit. Cabin attendant Zhang Chunxian was the first to respond to his suggestion and sang a song.

Premier Li Peng came to the rear section of the cabin. He thanked the comrades from various departments there and affirmed their endeavors during the visits to the four nations. At their request, he took the microphone and sang a song—“Song of Guerrillas.” Then, he joined his wife Zhu Lin in a duet on “Waves on the Honghu Lake” and “In the Yonder Place.” The couple was followed by other comrades in talent performance, and the cabin was full of song and laughter, showing the success of the premier’s visit to the four Central Asian countries and the satisfaction and joy of his entourage.

After the impromptu performance over the Tianshan Mountain came to an end, Premier Li Peng returned to the front cabin and immediately began to discuss work with Ismail Amat and several other members of his entourage. Four hours later from then, Premier Li Peng would be visiting Mongolia.

**Report Views ‘Tight Schedule’ of Li Peng’s 5-Nation Visit***OW0105205094 Beijing Central Television Program One Network in Mandarin 1100 GMT 29 Apr 94*

[Report over video by unidentified reporter; from the “National News Hookup” program]

[Text] Premier Li Peng has concluded his visits to four central Asian nations and Mongolia. As reporters covering his visits, we keenly realized the importance of and had to deal with the tight schedule of the visits. A special plane took us to various countries, and meetings, talks, delivering speeches, and signing agreements comprised a major part of Premier Li’s daily life during the visits. Let

us examine the agenda of one day of the visit—from this agenda we can see how busy Premier Li was during the trip.

[Reporter begins to play a video tape on Li Peng’s activities in Kazakhstan] On the morning of 26 April in Almaty, the capital of Kazakhstan, Premier Li Peng presented flowers at a monument dedicated to unknown martyrs. After that, Premier Li held talks for three hours with Kazakh President Nazarbayev, signed the historic Sino-Kazakh Border Agreement, and granted an interview to reporters. In the afternoon, Premier Li met with figures of Kazakhstan’s enterprise circles, during which he set forth six principles for developing economic and trade cooperation between China and Central Asian nations. Following that, Premier Li called on Chinese embassy personnel in Almaty. In the evening, Premier Li attended a welcoming banquet hosted by President Nazarbayev and delivered a speech at the banquet. [as the reporter reads the report, video shows Li paying tribute to the monument, holding talks with Nazarbayev, signing the agreement, speaking to entrepreneurs, calling on the Chinese Embassy, and attending and speaking at the banquet in his honor]

Hard work has turned into fruitful achievements. More than 20 meetings and talks during the trip have enhanced mutual understanding between China and the countries we visited and deepened the friendship between us, and two important speeches delivered during the tour have clearly set forth the principle for developing political and economic relations between China and Central Asian nations. The signing of several important agreements has laid a solid foundation for developing relations between China and the four Central Asian countries and Mongolia. [video shows Li Peng speaking and witnessing the signing of documents]

If there were any light moments during the tour, they must be the short [words indistinct] and cheerful laughter and singing on the special plane. [video shows Li Peng in plane, singing through a loudspeaker as other passengers clap hands]

Dear viewers, Premier Li Peng’s visits have ended and his special plane is on the way home. But, the principle for developing relations between China and Central Asian nations is clearly set forth and our policy on developing economic and trade relations with these countries has won popular support. We hope that the flower of economic and trade relations will blossom perpetually and the tree of friendship will remain green forever.

**RENMIN RIBAO Hails Li Peng’s Five-Nation Tour***OW2904182694 Beijing XINHUA Domestic Service in Chinese 1530 GMT 29 Apr 94*

[RENMIN RIBAO 30 April editorial: “Strengthen Good-Neighborliness and Friendship and Promote Mutually Beneficial Cooperation”]



[Text] Beijing, 29 Apr (XINHUA)—During the warm spring when flowers are in full bloom, Li Peng, premier of the State Council, paid an official goodwill visit, by invitation, to Uzbekistan, Turkmenistan, the Republic of Kyrgyzstan, Kazakhstan, and Mongolia, bringing with him the Chinese people's profound friendship. His visit was a complete success, having attained the goals of enhancing understanding, developing cooperation, and promoting good-neighborliness and friendship. We would like to offer our warm congratulations.

Premier Li Peng's five-nation tour was an event of profound significance in the history of China's relations with those countries. During the visit, Premier Li Peng held several rounds of friendly and sincere talks and meetings with the leaders of the five countries, during which they conducted businesslike and realistic discussions on further developing bilateral relations. Relevant departments on both sides signed approximately 20 agreements or letters of intent. Premier Li Peng also had an in-depth exchange of views with the leaders of the five countries on regional and international issues of common interest, reaching a broad consensus in this respect.

Premier Li Peng's visit marked a new stage of development for China's friendly relations and cooperation with the five countries. Premier Li Peng and the leaders of the five countries shared the view that maintaining good-neighborly and friendly relations over the long term would benefit not only the peoples of their respective countries, but also stability and development in the region. China and the five countries are complementary to each other in the economic realm, and there are broad prospects for strengthening cooperation based on equality and mutual benefit. Both sides indicated that they would adopt positive and feasible measures to further enrich the substance, improve the quality, and expand the scope of mutually beneficial cooperation, particularly referring to measures aimed at encouraging entrepreneurs on both sides to increase contacts and develop various forms of multilevel economic cooperation and trade. The entrepreneurs traveling with Premier Li Peng concluded a set of agreements or letters of intent on cooperation with their counterparts in the four Central Asian countries. They also explored ways to further develop economic cooperation and trade.

Premier Li Peng and President Nazarbayev signed a Sino-Kazakh border agreement, which was a major event of historic significance for relations between the two countries. We firmly believe that the Sino-Kazakh border extending more than 1,700 km will become a bond of friendly cooperation and common prosperity. Both Premier Li Peng and President Akayev said they would assume a positive attitude toward resolving the border issue between China and the Republic of Kyrgyzstan through friendly consultation and negotiations at an early date.

Special emphasis should be placed on the fact that Premier Li Peng delivered an important speech in Tashkent, the capital of Uzbekistan, in which he systematically and comprehensively set forth a four-point basic policy for developing China's relations with the Central Asian countries. The speech elicited positive response and favorable comment. Remaining on friendly terms for generations represents the common aspiration of the Chinese and Central Asian peoples, and is entirely consistent with their fundamental interests. China attaches great importance to developing friendly relations with the Central Asian countries; respects their independence and sovereignty, the choice of social systems and development paths made by their peoples in keeping with their national conditions, and the foreign policies they pursue; and appreciates their efforts to develop relations with their neighbors and other countries. China abides by the principles of equality and mutual benefit, will develop economic cooperation and trade with the Central Asian countries to promote common prosperity, and will make due contributions to building a new "Silk Road." China sincerely hopes for stability and development in the Central Asian countries and region. A stable and prosperous Central Asia is in the long-term interests of Central Asian countries, and is closely related to peace and development in Asia and even in the world at large. We believe that with the passage of time, the four-point basic policy enunciated by Premier Li Peng will demonstrate strong vitality.

Since China and Mongolia normalized their relations in 1989, their relations have experienced new developments. During Premier Li Peng's visit to Mongolia, China and Mongolia signed a treaty of friendship and cooperation, an important hallmark of the development of relations between the two countries. The leaders of China and Mongolia expressed the identical view that the two countries should constantly consolidate and develop good-neighborly and friendly cooperation on the basis of the five principles of peaceful coexistence.

Developing relations with neighboring and adjacent countries is a very important part of China's independent foreign policy of peace. Regardless of what may happen in the world, China's policy of good-neighborly and friendly relations will never change, and China will always be a good friend and neighbor who can be trusted by adjacent countries. We firmly believe that through the joint efforts of China and the five countries, the results of Premier Li Peng's visit will surely be consolidated and expanded. China's good-neighborly, friendly, and mutually beneficial cooperation with adjacent countries is bound to be filled with even greater vim and vigor.

#### **CHINA DAILY Comments on Li Peng Central Asian Trip**

HK3004075094 Beijing CHINA DAILY in English 30  
Apr 94 p 4

[Commentary from the "Opinion" page: "New Silk Road"]



[Text] Premier Li Peng has just concluded a trip of four Central Asian nations—Uzbekistan, Turkmenistan, Kyrgyzstan, Kazakhstan and Mongolia.

This is the first trip ever made by a top Chinese leader to these neighbouring nations.

Owing to the historical Silk Road, friendly relations have long existed between China and the Central Asian countries.

Mongolia and China have long enjoyed good relations. And after the establishment of diplomatic relations in the last few years, ties between China and the four Central Asian countries have been expanding rapidly.

The leaders of these five countries have all been to China in the last few years for visits which promoted mutual understanding and strengthened cooperation.

Premier Li's return visit to these five nations is not meant only as a friendly gesture. It represents China's genuine desire to further develop mutually beneficial relations with its neighbouring states.

In Tashkent, Uzbekistan's capital, Li made a candid, sincere and comprehensive policy statement on China's relations with the Central Asian countries.

And Li's speech was repeatedly punctuated by applause. The applause was especially strong when he said, "We cherish goodwill and friendly sentiment towards the people of Central Asian countries. We will always be your good friend and neighbour."

When Li arrived in Kyrgyzstan, on the third leg of his tour, President Askar Akayev said Li's warm words in Tashkent had in the space of a few days become household words in the Central Asian nations.

This shows that Li's statement reflected a common wish of all the people in the region and as a result his words touched their hearts.

China and its neighbours in the northwest are developing nations who need a peaceful and stable domestic and international environment to develop their economies.

And the friendship advocated by Li, constitutes the best guarantee for such an environment.

Trade and economic cooperation between China and its northwestern neighbours have made much progress in recent years.

However, there is still great potential for further development. Exchanges in the past have shown that the economies are complementary. And closer cooperation in economic matters will be to the advantage of all parties.

Li was accompanied on his tour by a group of Chinese entrepreneurs.

And on each leg of the premier's tour, these businessmen held talks with their counterparts and struck many deals. This was an effective way of speeding up economic cooperation.

Li also discussed other projects with his hosts. The building of the Turkmenistan-China-Japan gas pipeline is just one example.

Li's trip has deepened understanding and promoted goodwill with the five northwestern nations and has created conditions for further economic cooperation and cultural exchange.

And it is expected that the new Silk Road will bring greater prosperity China and our northwest neighbours in the future.

### **XINHUA Newsletter Hails Li Peng's Trip to Kazakhstan**

*OW0105192594 Beijing XINHUA Domestic Service in Chinese 1208 GMT 27 Apr 94*

[Newsletter: "Neighbors Are Dearer Than Distant Relatives" by XINHUA reporters Ju Mengjun (0215 1322 6511) and Hu Xiaoguang (5170 2556 0342)]

[Text] Almaty, 27 Apr (XINHUA)—"Neighbors are dearer than distant relatives." At a grand banquet to welcome visiting Premier Li Peng, President Nazarbayev used this proverb to figuratively and profoundly express aspirations of peoples of the two countries who are willing to be friendly for generations.

Situated at the northern foot of the Ili Mountain Range, Almaty City, with flourishing trees lining its streets, faces snow-capped mountains in the south. The national flags of China and Kazakhstan are fluttering in the wind along the city's major streets. It is a city that links Sino-Kazakh friendship. Both the ancient "Silk Road" and today's Eurasian Bridge pass through this vintage city.

Premier Li Peng and Kazakh leaders are writing a new chapter of Sino-Kazakh relations together with sincere words including "good-neighborliness, friendship, and cooperation."

In the past few days, Kazakh mass media have been using nice phrases, including "a great country" and "a friendly neighbor," to report on China's situation and Premier Li Peng's visit. FIELD OF VISION PAPER [shi ye bao 6018 6851 1032] hailed China's reform policy, claiming that "proceeding from specific national conditions and refusing to blindly copy other country's models" were an important experience of China's successful reform. KAZAKHSTAN INFORMATION PAPER [xiao xi bao 3194 1873 1032] used the phrase "a new and important phase of Sino-Kazakh cooperation" as a headline to report on Premier Li Peng's visit.

The magnificent Kazakh presidential palace was particularly splendid under full view of the sun. However,

people were more interested in the talks between Premier Li Peng and President Nazarbayev and in the agreements reached by both sides. Because of their friendly relationship and the extensive topics under discussion, the two leaders had to extend their talks one hour longer than originally scheduled.

Many reporters had come early and had been waiting at the agreement-signing hall. In addition to Chinese and Kazakh reporters, many Russian reporters and colleagues from THE ASSOCIATED PRESS, REUTERS, AGENCE FRANCE-PRESSE, BRITISH BROADCASTING CORPORATION, and Turkish newspapers were present. A Kazakh Foreign Ministry official told the reporters: The mass media are paying very close attention to Premier Li Peng's visit. It is seldom that so many foreign reporters have come to Almaty to prepare news reports.

Naturally, the most important agreement reached by both countries was the border agreement. Around noon, Premier Li Peng and President Nazarbayev, full of smiles, entered the agreement-signing hall together. While cameras continuously flashed, they raised their pens and signed the Sino-Kazakh border agreement. Both Premier Li Peng and President Nazarbayev spoke highly of the agreement, saying that "the signing of the agreement has historic significance in Sino-Kazakh relations and is an important indicator of the development of good-neighborly and friendly relations between the two countries."

Kazakh Prime Minister Tereshchenko, who was recuperating in Moscow, hurriedly returned to Almaty solely to welcome visiting Premier Li Peng. With a cane in hand and together with Premier Li Peng, he climbed up to a rostrum in the Almaty Business Center's Conference Lounge. Several hundred Kazakh economic and trade officials and entrepreneurs earnestly listened to Premier Li Peng at the lounge on developing economic and trade relations between China and Central Asia. A coal mine expert said: "We fully agree with Premier Li Peng's speech where he stressed mutually beneficial cooperation. The two countries share 1,700-odd km of common boundaries and have been maintaining traditionally friendly relations. There are natural conditions, including favorable opportunities and locales, for us to carry out economic and trade cooperation."

During an interview with the reporters, Kazakh Ambassador to China Auezov indicated: Premier Li Peng's visit is the first visit by a ranking Chinese leader to Kazakhstan since its independence. It is very important politically and economically. A Kazakh friend likened the current Sino-Kazakh relations to a vigorously growing tree of friendship. He said: Under the utmost careful cultivation of leaders and peoples of the two countries, the tree will bear abundant fruit.

### Muscovites Mark May Day With Political Demands

OW0105170594 Beijing XINHUA in English 1608  
GMT 1 May 94

[Text] Moscow, May 1 (XINHUA)—About 50,000 Muscovites today rallied peacefully in the Russian capital to mark May Day, and some chanted anti-government slogans.

At 09:00 Moscow time (06:00 GMT), about 25,000 people started the celebration Marching along Moscow's central Tverskaya Street from Triumfalnaya (Triumph) Square to rally on Manezh Square near the Kremlin.

The parade accompanied by two orchestras was organized by the Federation of Labor Unions.

Addressing the rally, Mikhail Nagaitsev, chairman of the Moscow Federation of Labor Unions, urged the government to introduce a legislative bill making the withholding of salaries and wages a crime, to index salaries to inflation rate and adopt a state employment program, as well as intensify the work of law-enforcement bodies in their fight against crime and corruption.

"We are in favor of (the civic) accord and civic peace, but not at the expense of the working people, of depriving the common people of their rights," he said.

One hour later, another parade, sponsored by the Russian Communist Party and other political parties, marched practically along the same route. It also held a meeting on Tverskaya Square, with nearly the same number of demonstrators.

At 10:00 Moscow time (07:00 GMT), about 20,000 demonstrators rallied on October Square holding anti-government banners and slogans.

The demonstration was called by the Liberal-Patriotic Party Renewal along with the Russian Communist Workers' Party (RCWP), and the All-Russia Communist Party of Bolsheviks

The RCWP leader Viktor Anpilov appealed over loudspeaker for a nationwide political strike scheduled for early October. He stressed the need to rebuild socialism in Russia.

After their first meeting, the demonstrators, which were joined by Russian Communist Party leader Anatoliy Zyuganov and former Soviet speaker Anatoliy Lukyanov, marched toward University Square at 11:45 Moscow time (8:45 GMT) for an additional meeting there.

The current labor day coincides with the easter Sunday in Russia, and also with the one-year anniversary of a bloody conflict between demonstrators and police in Moscow. Over 150 people were injured in the clash.

## Northeast Asia

### Qian Qichen Receives Japanese Diet Delegation

OW2904140194 Beijing XINHUA in English 1247  
GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—China and Japan should advance their long-term, stable and friendly cooperative relations, a senior Chinese official said here today.

Vice-Premier and Foreign Minister Qian Qichen said China and Japan should draw lessons from history so as to maintain long-term friendly relations, which is important not only to the Asia-Pacific region but also to the rest of the world.

Qian made the remarks at a meeting with Bunbei Hara, president of the House of Councillors of the Japanese Diet, and a delegation he is leading.

China hopes to develop friendly relations with all countries, neighboring countries in particular, Qian said, adding that the development of Sino-Japanese relations is particularly necessary.

Hara said that he agreed with Qian. He said that Japan also needs a stable social and economic environment and should reflect on its history and make efforts together with China to develop bilateral relations.

At the meeting, Qian also touched on some international issues at the request of the delegation. Referring to the situation in the Korean peninsula, Qian reiterated China's consistent stand to solve problems on the peninsula through peaceful talks. On the issue of Cambodia, Qian said foreign powers should no longer interfere in the internal affairs of Cambodia, but let the Cambodian people headed by King Sihanouk solve the problems themselves.

### Qiao Shi Holds Talks With Japanese Diet Delegation

OW2904141294 Beijing XINHUA in English 1347  
GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—Qiao Shi, chairman of China's National People's Congress [NPC] Standing Committee, said here today that China desires to further enhance its cooperation with Japan.

Meeting with Bunbei Hara, president of the House of Councillors of the Japanese Diet, and his wife and their party, Qiao said China and Japan are close neighbors, adding: "We are pleased to note that the two countries have enjoyed very good relations."

The two countries have exchanged frequent visits and conducted a wide range of exchanges in the fields of politics, economy and culture, he said.

Qiao said the constant strengthening of bilateral friendship and cooperation will be an important contribution to peace in the Asia-Pacific region as well as the rest of the world.

Looking towards the 21st century, he said, the influence exerted by such friendship and cooperation will become greater, adding that "it is our hope that an unpleasant period in history will never appear."

Referring to China's economy, Qiao said that over the past few years, China has accelerated its economy. But there still exists a gap between China and Japan in the level of development because China, as a vast country with a large population, cannot experience development all at once.

China is willing to further its cooperation with Japan although it will mainly rely on its own efforts in its economic development and do its utmost to develop its economy under a stable environment.

He stressed that it is of great importance for China to conduct varied ways of cooperation with countries all over the world including Japan.

Hara said he was particularly glad to visit China for the first time.

He said China has a history of several thousand years which has exerted a great influence on Japan's culture.

At present, he said, China is implementing the policy of reform and opening to the outside world, and its economy has grown quickly.

He expressed the hope that both Japan and China will advance hand in hand and further push forward bilateral ties and exchanges and cooperation between the Japanese House of Councillors and Chinese NPC.

Hara, aged 81, mentioned the unfortunate period in the history of Sino-Japanese relations, stressing that it is imperative for Japan to earnestly search its soul in this regard. Aside from this, the most important thing for Japan to do is to look towards the future and develop its cooperation with China.

During the meeting, Hara invited Qiao to visit Japan. Qiao thanked him for the invitation.

This evening, Qiao gave a dinner in honor of Hara and his wife and their party.

Present at the two occasions were Qiao's wife Yu Wen, and Wang Bingqian and Cao Zhi, respectively vice-chairman and secretary-general of the NPC Standing Committee.

Hara and his party arrived here this afternoon for an official goodwill visit to China as Qiao's guests. They will also tour Xian, Shanghai and Suzhou after their visit in Beijing.



## **Qian Qichen Says China 'Does Not Know' DPRK Nuclear Plans**

*OW3004031394 Tokyo KYODO in English 0250 GMT 30 Apr 94*

[Text] Beijing, April 30 KYODO—Chinese Foreign Minister Qian Qichen indicated Friday [29 April] that China is not well-informed on North Korea's nuclear development program despite its friendly ties with Pyongyang, Japanese officials said.

Qian told a Japanese delegation led by House of Councillors President Bunbei Hara that China does not know for sure for what purpose North Korea is trying to develop nuclear facilities, the officials said. Qian said he cannot determine whether North Korea wants to use the facilities peacefully or develop nuclear weapons, or to use the nuclear issue as a means of improving relations with the United States, according to the Japanese officials.

North Korea has been accused of trying to develop a nuclear arsenal and of refusing to accept full inspection by the International Atomic Energy Agency (IAEA).

Qian also said that as the North Korean nuclear issue has had effects on Japan and South Korea particularly, China will try to find a solution through dialogue, the officials said. The foreign minister, noting Pyongyang's dissatisfaction with China's establishment of diplomatic relations with South Korea, said Beijing set up ties with Seoul so as not to isolate North Korea, the officials said.

Meanwhile in Vienna, an IAEA spokesman on Friday denied reports from South Korea that the international nuclear watchdog has shown willingness to compromise with the North on the contents of inspections in a letter to Pyongyang. The IAEA has not changed its stance of not sending any inspectors unless Pyongyang agrees to full inspections, the spokesman said.

According to the reports from South Korea, the IAEA informed North Korea it would send inspectors on condition that an important radiation measurement be conducted at a key nuclear facility at a later date.

## **Li Peng Continues Visit to Mongolia**

### **Meets Premier**

*OW3004081794 Beijing XINHUA Domestic Service in Chinese 0859 GMT 29 Apr 94*

[By reporters Ju Mengjun (0215 1322 6511) and Chang Wanrong (1603 8001 7127)]

[Text] Ulaanbaatar, 29 Apr (XINHUA)—Premier Li Peng and Mongolian Prime Minister Punsagiyn Jasray held talks at the state palace on the morning of 29 April and exchanged in-depth views on issues including bilateral relations.

The talks were held in a warm and friendly atmosphere. At the beginning of the meeting, Li Peng said he was pleased to have the opportunity of visiting Mongolia on the occasion of the 45th anniversary of the establishment of diplomatic relations between China and Mongolia. He evaluated highly the Sino-Mongolian exchanges and cooperation in the political, economic and trade, science and technology, cultural, and military fields. He said that China and Mongolia share a long border, that Mongolia is China's important neighbor, and that China attaches importance to friendly and good-neighbor relationship with Mongolia.

Li Peng said the Chinese Government will abide by the following five basic points in developing relations with Mongolia:

First, adherence to the Five Principles of Peaceful Coexistence as a basis for the development of friendly cooperation with Mongolia, which looks toward the 21st century.

Second, respect for Mongolia's independence, sovereignty and territorial integrity, as well as the Mongolian people's choice of their own path of development.

Third, developing trade and economic cooperation on the basis of equality and mutual benefit, in an effort to promote common development and prosperity.

Fourth, the hope of maintaining peace and stability in East Asia; appreciation for Mongolia's positive efforts to safeguard regional peace and stability; and support for Mongolia's policy to become a nuclear-free zone, in not allowing foreign troops or the deployment or transportation of nuclear weapons or other weapons of mass destruction in or through its territory.

Fifth, the Chinese Government is also willing to see Mongolia develop friendly relations with other countries.

Li Peng said that the consolidation and development of Sino-Mongolian friendly relations is not only in keeping with the fundamental interests of the two peoples but also will be conducive to regional peace, stability, and development as well.

Li Peng said that the "Friendship and Mutual-Assistance Treaty Between China and Mongolia" that was signed during Premier Zhou Enlai's visit to Mongolia in 1960 laid a foundation for the development of relations between the two countries. Now both the domestic situation in the two countries and the international situation have undergone great changes. Taking Mongolia's wishes into consideration and with a view to further developing the friendly relations between China and Mongolia, both sides have revised and perfected the treaty. Today we will officially sign a new treaty of friendship and cooperation. He said that the signing of this treaty will be an epoch-making event in the history of bilateral ties. It will legally establish the relationship of



friendship and cooperation between China and Mongolia. It will provide a new political basis for future bilateral relations. It will also be a basic principle for standardizing the handling of various bilateral affairs between the two countries. This treaty will make China and Mongolia even better friends and neighbors.

Jasray extended a warm welcome to Li Peng's visit. He said that he agreed with Premier Li Peng's assessment of bilateral ties. He said that Li Peng's significant visit coincides with the 45th anniversary of the establishment of diplomatic relations between Mongolia and China. The Mongolia Government assesses highly China's major achievements in developing the economy and in improving the people's living standards. A stable and developing China and a China that is embarking on reform and opening up is important for peace and stability in Asia, in the Pacific, and in the world.

Jasray said that Mongolia's foreign policy is based on the principle of equality and mutual benefit regardless of the beliefs or size of a country. The development of friendly relations with China and Russia, two large neighbors, is a priority of Mongolian foreign policy. Mongolia will not only develop relations with the Western and developed nations but it also will strive to expand ties with Asian countries, in particular those of East Asia.

Li Peng welcomed Mongolia's adoption of the policy of attaching importance to its ties with China and Russia.

Jasray said that thanks to the efforts of the two countries, relations between Mongolia and China have been completely normalized and constantly developed and expanded in recent years. The maintenance of high-level contacts between the two countries has promoted the mutual trust between the two countries and the two peoples. China's respect for Mongolia's chosen method of development is very important for the further expansion of friendship and cooperation between the two countries. He pointed out that the Friendship and Mutual-Assistance Treaty signed by the two countries in 1960 and the joint communique of 1990 have played a positive role in developing relations between the two countries. Today the two countries will also revise and sign a new treaty of friendship and cooperation. This treaty will surely become a legal basis for long-term development of the friendly and cooperative relations between Mongolia and China. Mongolia and China already have signed a number of agreements on cooperation and will sign more agreements on cooperation today. Therefore, the development of Mongolian-Chinese relations will surely be very smooth, which is in accord with the fundamental interests of the two countries.

When touching on the economic and trade cooperation relations between the two countries, Li Peng said that the trade relationship between China and Mongolia is developing very rapidly, that bilateral trade is basically balanced, that the two countries have signed a number of working-level agreements, and that both countries have

opened many border posts. China has become Mongolia's second-largest trading partner. China is willing to develop mutually beneficial cooperation with Mongolia. In the area of economic cooperation, the two countries may set up joint venture, establish enterprises in each other's country, and further expand the sphere of cooperation between the two countries.

Jasray said that Mongolia attaches importance to developing trade relations with China and that he hopes the two countries will further discuss ways and areas for enhanced cooperation. He said that Mongolia also hopes to strengthen cooperation with China in the area of investment and to make joint efforts so that the cooperation between the localities and enterprises of the two countries will become more effective. He added that because Mongolia is a landlocked country, it is important to solve the transportation problem when developing economic and trade cooperation relations between the two countries. Mongolia is willing to make continued efforts to improve and enhance conditions in this regard.

Jasray appreciated Li Peng's support for Mongolia becoming a nuclear-free zone. He also expressed satisfaction over the good cooperative relations between the two countries in the cultural and other fields.

Jasray said that the Mongolian Government and people appreciate the Chinese Government's understanding of their economic difficulties and the economic assistance that China has provided to Mongolia.

Jasray reaffirmed that the PRC is the sole legitimate government of China, that Taiwan is an inalienable part of China's territory, and that the Mongolian Government will not enter into any official relations with Taiwan. Premier Li Peng expressed appreciation for this stand.

Li Peng extended an invitation to Jasray to visit China at his convenience, an invitation which Jasray accepted with pleasure.

### Li Meets Mongolian President

OW2904132094 Beijing XINHUA in English 1246  
GMT 29 Apr 94

[Text] Ulaanbaatar, April 29 (XINHUA)—Mongolian President Punsalmaagiyn Ochirbat said here today that the treaty on friendly relations of cooperation to be signed between China and Mongolia later today will lay a legal basis for bilateral relations through the next century.

The president made the remarks during a meeting with Chinese Premier Li Peng, who came here Thursday [28 April] for a two-day visit.

Li Peng conveyed friendly greetings to Ochirbat from Chinese President Jiang Zemin and extended Jiang's invitation for him to visit China.

Li told Ochirbat that his talks this morning with Mongolian Premier Puntsagiyn Jasray were fruitful and that he was satisfied with them.

China and Mongolia are neighbors and they should maintain a friendly relationship, Li said.

He called the treaty on friendly relations of cooperation to be signed later today "a major event in the annals of Sino-Mongolian relations" and said China is willing to have friendly and good-neighborly ties with all its neighbors, including Mongolia.

President Ochirbat said there is no unresolved issue of principle between Mongolia and China. As to some minor problems, the two countries will be able to solve them under the principle of mutual respect, he added.

The president said Mongolia attaches great importance to Premier Li's visit and regarded it as a continuation of contacts between leaders of the two countries. The visit will have a major significance to the development of bilateral relations.

He stressed that Mongolia supports China's foreign policies, especially its proposal for the establishment of a new international political and economic order.

China is a country of world influence, therefore, its proposal will have a major significance for maintaining peace and stability in the region as well as in the world, he said.

Premier Li Peng said the Chinese Government supports the policies carried out by the Mongolian Government on maintaining regional peace and security.

China respects the independence of other countries as well as their choices of their own political and economic systems.

He believed that relations between China and Mongolia in political, economic and other fields will further develop.

#### Further on Meeting

OW3004044694 Beijing XINHUA Domestic Service in Chinese 1333 GMT 29 Apr 94

[By reporters Bataercang (1572 1044 1422 0221) and Lu Guodong (0712 0948 2767)]

[Text] Ulaanbaatar, 29 Apr (XINHUA)—Mongolian President Punsalmaagiyn Ochirbat cordially met at the State Palace on the afternoon of 29 April with Chinese Premier Li Peng, who is currently on a visit to Mongolia.

During the meeting, the two leaders joyfully recalled their meeting in Beijing in 1990. Li Peng conveyed President Jiang Zemin's cordial regards to President Ochirbat and his invitation to President Ochirbat to visit China. Li Peng said: China and Mongolia are neighbors and therefore should maintain friendly relations. Over the last few years, many changes have taken

place in both countries. China is developing a socialist market economy and we fully respect the development path Mongolia has chosen. Today we will sign a treaty on Sino-Mongolian friendly and cooperative relations. This is an event of great significance in the history of Sino-Mongolian relations. China is willing to maintain friendly and neighborly relations with all its neighbors, including Mongolia.

Ochirbat said: There are no unresolved issues of principle between Mongolia and China. As for some minor problems, the two countries can resolve them in a friendly manner on the principle of mutual respect. He added: "We attach great importance to Premier Li Peng's visit to Mongolia. The visit is a continuation of the increase of contacts between the leaders of the two countries, and has great significance for the development of Mongolian-Chinese relations. It is especially significant that a treaty on Sino-Mongolian friendly and cooperative relations will be signed during your visit. The treaty will not only reflect the relationship that has existed between China and Mongolia, but also will lay a legal foundation for the relationship between the two countries in the next century. I am satisfied with the continuing development of Sino-Mongolian relations and hope these relations will continue to develop—this is also the wish of the Mongolian people."

Ochirbat said: The Mongolian Government and people congratulate China for the achievements it has made in carrying out reform and opening up and in improving the Chinese people's living standards. Mongolia supports China's foreign policy, especially its advocacy to build a new international political and economic order. China exerts important influence on world affairs; therefore, China's foreign policy has great significance for preserving regional and world peace and stability. Developing Mongolian-Chinese and Mongolian-Russian relations is the primary task of Mongolia's foreign policy; so, we are glad to see that Mongolia has maintained friendly relations with these two great neighbors.

Ochirbat said President Jiang Zemin, in his letter to him, sets forth the principle for developing relations between China and Mongolia. He asked Premier Li Peng to convey his good wishes for President Jiang Zemin and hoped President Jiang will have an opportunity to visit Mongolia.

Li Peng said: The Chinese Government supports the Mongolian Government's foreign policy of safeguarding regional security and peace, and thanks the Mongolian Government for its support for China's independent foreign policy of peace. He stressed: China respects all countries' independence and their choice of political and economic systems. China hopes Mongolia will develop friendly and cooperative relations with all countries, including Russia. We are willing to see that all countries get along friendly. Li Peng said he believed relations in the political, economic, and other fields between China and Mongolia will definitely further develop.

### Text of Amity, Cooperation Treaty

OW2904143394 Beijing XINHUA Domestic Service in Chinese 1153 GMT 29 Apr 94

[Text] Ulaanbataar, 29 Apr (XINHUA)—Chinese Premier Li Peng and Mongolian Prime Minister P. Jasray signed here today the "PRC-Mongolia Treaty of Friendship and Cooperation." The full text of the treaty follows:

The People's Republic of China and Mongolia (hereinafter referred to as "the two signatories" for short)

In view of the important role played by the Treaty of Friendship and Mutual Assistance of the People's Republic of China and the People's Republic of Mongolia concluded on 31 May 1960 in developing the two countries' relations;

Are willing to consolidate and strengthen the traditional friendship between the Chinese and Mongolian peoples;

Being convinced that further strengthening Sino-Mongolian good neighborliness and cooperation is in the fundamental interests of the two peoples, and is conducive to peace, stability, and development in the Asia-Pacific Region; and

Reiterating that they will abide by the objectives and principles in the United Nations Charter.

To this end, they decided to revise the PRC-MPR Treaty of Friendship and Mutual Assistance, and have reached the following accord:

#### Article One

The two signatories shall develop their good neighborly and cooperative relations on the basis of the principles governing mutual respect for independence, sovereignty and territorial integrity, mutual nonaggression, mutual noninterference in internal affairs, equality and reciprocity, and peaceful coexistence.

#### Article Two

1. The two signatories shall carry out regular consultations on developing bilateral relations in an effort to promote the development of relations between the two countries' parliaments, government organs, social groups, and localities.

2. The two signatories shall steadily develop equal and reciprocal cooperation in the political and economic fields, trade, culture, education, science and technology, public health, environmental protection, communications, and postal and telecommunications services on a long-term basis.

#### Article Three

1. The two signatories shall, according to needs, carry out consultations on issues concerning the Asia-Pacific Region as well as other international issues of common concern.

2. The two signatories shall carry out cooperation within the United Nations and other international organizations in an effort to promote the development of interstate cooperation and promote the settlement of urgent regional and global problems.

#### Article Four

The two signatories shall not join any military or political leagues targeted at the other side, and shall not sign with any third countries any treaties that infringe the other side's sovereignty and security; and neither side shall permit any third country to use its territory to hurt the other side's sovereignty and security.

#### Article Five

This treaty shall not affect the obligations either side is required to undertake according to bilateral or multilateral treaties signed with other countries.

#### Article Six

This treaty shall remain in effect on a long-term basis. When the two signatories concur, they may supplement or amend this treaty. Either signatory may notify the other side by writing to terminate the treaty one year in advance.

This treaty shall be ratified, and shall go into effect from the date the instruments of ratification are exchanged.

This treaty, signed in Ulaanbataar on 29 April 1994, has two copies, and each copy is written in Chinese and Mongolian languages, and both versions can be used as a standard [tong deng zuo zhun 0681 4583 0155 0402]. [signed] PRC Premier

Li Peng Mongolian Prime Minister  
P. Jasray

### Li Meets Embassy Staff

OW0105094794 Beijing XINHUA Domestic Service in Chinese 1229 GMT 29 Apr 94

[By reporter Lu Guodong (0712 0948 2767)]

[Text] Ulaanbaatar, 29 Apr (XINHUA)— Premier Li Peng warmly received this afternoon the entire diplomatic staff and working personnel of the Chinese Embassy in Mongolia, as well as representatives of the Chinese organizations, Overseas Chinese, and students in Mongolia.

Premier Li Peng conveyed warm greetings to all during the meeting. He urged the embassy staff to make continuous contributions to developing the Sino-Mongolian relationship. He also called on representatives of the Overseas Chinese to forge unity with the local people and to serve construction in Mongolia.

Following the meeting, Premier Li Peng had a group photo taken with all.



### **Economic Cooperation Meeting Ends**

*OW0205115094 Beijing XINHUA Domestic Service in Chinese 0137 GMT 30 Apr 94*

[Text] Ulaanbaatar, 29 Apr (XINHUA)—The third meeting of the PRC-Mongolian Government Economic, Trade, Science and Technology Cooperation Committee ended here on 29 Apr.

Liu Shanzai, Chinese vice minister of foreign trade and economic cooperation and leader of the Chinese delegation, and Tsevegmidin Tsagt, Mongolian minister of trade and industry and leader of the Mongolian delegation, signed the following two agreements and three exchanges of notes: the PRC-Mongolian Government Agreement on Economic and Technical Cooperation, the PRC-Mongolian Government Cooperation Agreement on Guarantee of Quality of Import and Export Commodities and Mutual Authentication, the Exchange of Note Concerning the Chinese Government's Extension of Gratuitous Aid to Mongolia, the Exchange of Note Between the Chinese and Mongolian Governments on Border Trade, and the Exchange of Note Between the Chinese and Mongolian Governments Concerning Clearance of Trade Balance Generated During the Period of Trade on Credit Between the Two Governments.

During the current session, candid and friendly discussions were held on matters of mutual concern, including the implementation of summary of minutes of the second meeting, current conditions and future prospects of Sino-Mongolian trade and economic cooperation, Sino-Mongolian cooperation on transportation, the viability of establishing a free-trade zone between the Chinese and Mongolian border towns of Eren and Dzamyn, and the date for the committee's fourth meeting.

The meeting was held here on 22 April. Mongolian Deputy Prime Minister Choijilsurenngiyn Purevdorj received the Chinese delegation on 29 April.

### **Li Ends Mongolia Visit**

*OW3004012794 Beijing XINHUA Domestic Service in Chinese 1427 GMT 29 Apr 94*

[By reporters Sun Benyao (1327 2609 1031) and Qian Yonghong (6929 0737 5727)]

[Text] Hohhot, 29 Apr (XINHUA)—After successfully concluding his visits to Uzbekistan, Turkmenistan, Kyrgyzstan, Kazakhstan, and Mongolia, Premier Li Peng of the State Council this afternoon returned by special plane to Hohhot, the capital of Inner Mongolia Autonomous Region.

Premier Li Peng's wife Zhu Lin; and Ismail Amat, state councillor and minister in charge of the State Commission for Nationalities Affairs; Han Zhubin, minister of railways; Wuliji, chairman of the Inner Mongolia Autonomous Regional Government; and Wang Mengkui, deputy director of the State Council Research Office—

who accompanied Premier Li Peng during his five-nation visit—returned to Hohhot on the same plane.

Wang Qun, secretary of the Inner Mongolia Autonomous Regional CPC Committee and chairman of the Inner Mongolia Autonomous Regional People's Congress Standing Committee; Qian Fengyong, deputy secretary of the Inner Mongolia Autonomous Regional CPC Committee and chairman of the Inner Mongolia Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC]; Peng Cuifeng, commander of the Inner Mongolia Military District; and Zhang Zhen, political commissar of the Inner Mongolia Military District, were at the airport to greet Premier Li Peng and his entourage. Also greeting Premier Li Peng at the airport were Ye Qing, vice minister in charge of State Planning Commission; Yao Zhenyan, president of the State Development Bank; and Jiang Yunbao, director of the Premier's Office, all of whom were to accompany Premier Li Peng during his inspection of Inner Mongolia.

More than 10 girls in colorful nationality costume presented hadas to Premier Li Peng, Comrade Zhu Lin, and other members of the premier's entourage, and toasted them while singing a toast, extending warm congratulations to Premier Li Peng on his successful visits to the five nations.

### **Near East & South Asia**

#### **PLO-Israeli Talks Resume in Cairo**

*OW0105195694 Beijing XINHUA in English 1848 GMT 1 May 94*

[Text] Cairo, May 1 (XINHUA)—The last round of the PLO-Israeli peace talks resumed here today to put the finishing touches on the general agreement of the implementation of the Gaza-Jericho self-rule deal.

The Palestinian side is presided by Major General 'Abd-al-Razek al-Yehya, for the chief PLO negotiator Nabil Shaath is in Tunisia now, and the Israeli side is headed by Major General Ammon Shahak, the Israeli deputy chief of staff.

Khaled al-Qudra, a member of the Palestinian negotiating delegation, said in a press release that the Palestinian and Israeli sides are about to finish the phraseology of the general agreement.

Some sources close to the talks said that the viewpoints of the two sides were brought closer and that agreement on the standing disputable issues are expected to be phrased out in paragraphs of the general agreement during this round.

As for the entry of the Palestinian police force into the Gaza Strip and Jericho, the Israelis consider accessing of 25 elements of the Palestinian police vanguards on the day of initialling the agreement. A week later 1,000 to 1,500 Palestinian policemen will be permitted entry.

The Palestinian side deems as necessary the deployment of all the Palestinian police force, not only 25 of them, during the first week after signing the agreement following the withdrawal of the Israeli Army, slated for the second day after initialling the agreement.

The sources said that 'Arafat and Rabin are due to discuss during their imminent meeting, slated for Tuesday [3 May] evening, two issues: the size of Jericho area and the Palestinian police presence at border crossings.

This round of talks is scheduled to last for three days and end on Tuesday evening, the night before signing the final agreement on Wednesday.

President Husni Mubarak of Egypt, the Palestinian President Yasir 'Arafat, the U.S. Secretary of State Warren Christopher and the Israeli Foreign Minister Shim'on Peres held a conference on April 28 to probe ways of removing the standing obstacles before initialling the final PLO-Israeli agreement on implementing the Gaza-Jericho deal.

President Mubarak said after the conference that the Palestinian and the Israeli sides agreed on holding a meeting between the Palestinian President 'Arafat and the Israeli Prime Minister Rabin on May 3 and signing the final agreement the following day.

#### **Contract for Power Plant Signed With Bangladesh**

*OW0205112994 Beijing XINHUA in English 1038  
GMT 2 May 94*

[Text] Dhaka, May 2 (XINHUA)—A contract for one more 210 mw thermal power plant in Chittagong on turn-key basis provided by China to Bangladesh was signed here today.

The president of China National Machinery and Equipment Import and Export Corporation (CMEC), Xi Jiacheng, and the secretary of Bangladesh Power Development Board (BPDB), Md. Azharul Islam, signed the contract on behalf of their respective side.

Chinese Ambassador to Bangladesh Zhang Xujiang and Chairman of BPDB Kazi Golam Rahman were present at the signing ceremony.

This is the second unit of 210 mw power plant provided by CMEC upon its successful accomplishment of the first one in Chittagong Power Station, which was taken over by BPDB on July 30, 1993 and has now entered into commercial operation.

In the past nine months since its operation, the unit has generated one billion kwh. of electricity which to certain extent, solved the problem of power shedding for this country.

Being satisfied with the performance of the first unit, BPDB decided to purchase another same unit from the same company of China.

The signed contract covers one 210 mw gas fired steam turbine generator unit, one 230 kv transmission line and one substation.

The total cost of the power station is around 119 million U.S. dollars of which more than 80 million U.S. dollars will be provided by CMEC as credit.

#### **Iran Concludes Missile Maneuvers in Hormuz Strait**

*OW2904194094 Beijing XINHUA in English 1831  
GMT 29 Apr 94*

["Iran Winds Up Missile Maneuvers"—XINHUA headline]

[Text] Tehran, April 28 (XINHUA)—Iran today concluded its week-long missile maneuvers in the strategic Strait of Hormuz in the Persian Gulf waters.

The Iranian official news agency IRNA reported that a surface to sea missile was fired which destroyed the hypothetical enemy target in the final tactical phase of the maneuver.

Warships and electronic units of the armed forces along with naval units of the Islamic Revolution Guard Corps (IRGC) were involved in the exercises, which started Tuesday [26 April].

Units participating in the exercises staged marine warfare, launched attacks on hypothetical enemy targets and tested new marine war tactics.

#### **CPPCC Official Receives Nepalese Parliamentarian**

*OW3004032994 Beijing XINHUA in English 0254  
GMT 30 Apr 94*

[Text] Beijing, April 30 (XINHUA)—Vice-Chairman Ngapoi Ngawang Jigme of the National Committee of the Chinese people's Political Consultative Conference (CPPCC) had a discussion with R. N. Pandey, member of the Nepalese National Assembly (upper house), on furthering the Sino-Nepalese relations here today.

The visitor, who has just concluded a tour of Tibet, is on a ten-day visit with the aim of exchanging views with the Chinese side on bilateral ties and regional situation as well as knowing more about China's on-going economic reform.

## Political & Social

### Li Peng Arrives in Hohhot From Ulaanbaatar

#### Local Leaders To Accompany Li on Tour

OW2904155694 Beijing XINHUA in English 1513  
GMT 29 Apr 94

[Text] Hohhot, April 29 (XINHUA)—Chinese Premier Li Peng concluded his visit to Uzbekistan, Turkmenistan, Kyrgyzstan, Kazakhstan, and the State of Mongolia and arrived here this afternoon by special plane.

Those who arrived at the capital of the Inner Mongolia Autonomous Region with Li were Li's wife Zhu Lin, State Councillor and Minister in Charge of the State Nationalities Affairs Commission Ismail Amat, Minister of Railways Han Zhubin, and the regional government chairman Ulgi.

Some local leaders and those who will accompany Li Peng on inspections here in the next a few days, including President of the State Development Bank Yao Zhenyan, met Li and his party at the airport.

At the airport, a Mongolian-style ceremony was held to celebrate the successful visit of Premier Li Peng.

#### Attends May Day Celebration

OW3004175994 Beijing XINHUA Domestic Service in Chinese 1615 GMT 30 Apr 94

[By reporters Sun Benyao (1327 2609 1031) and Qian Yonghong (6929 0737 5725)]

[Text] Hohhot, 30 Apr (XINHUA)—State Council Premier Li Peng attended celebrations of the 1 May International Labor Day in Hohhot, Inner Mongolian Autonomous Region this evening.

In the evening, the premier met with model workers from various fronts in Inner Mongolia and posed for a picture session with them. He extended Labor Day greetings to the working class and people in the autonomous region and throughout the country.

He said his visit to the four Central Asian nations and Mongolia was successful because it had expanded China's good-neighborly friendship with these countries and had accomplished the anticipated objective. Success in diplomatic work has been made possible through the remarkable achievements in reform, opening up, and modernization drive; while an independent and peaceful foreign policy has in turn provided a favorable external environment for domestic economic construction.

He said: In the past nearly 10 years, I have visited Inner Mongolia on three occasions and witnessed its great achievements. The autonomous region is rich in natural resources and enjoys unity of nationalities; therefore, it has great potential for growth. So long as the people of all nationalities in Inner Mongolia earnestly implement the

party's line, principles and policies and work concertedly under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, Inner Mongolia will certainly score even greater achievements.

He pointed out: Model workers who are pace-setters in various fronts have made outstanding contributions to the socialist modernization drive. Guided by Deng Xiaoping's theory of building socialism with Chinese characteristics, China has implemented the policy of reform and opening up and promoted vigorous economic growth. Now is the time for large numbers of people to come forth and to develop their ability to the full. More advanced models will certainly emerge on all fronts. While promoting the building of material civilization, we should also attach great importance to spiritual civilization. It is hoped that model workers shall exemplify themselves in building not only material civilization but also spiritual civilization. They shall make still greater contributions to the motherland's prosperity.

At 2000 in the evening, Premier Li Peng, accompanied by regional party secretary Wang Qun and government chairman Wuliji, attended a soiree held by the autonomous region to celebrate the International Labor Day, and viewed a brilliant ethnic literary and artistic performance. At the end of performance, the premier ascended the stage, put on Mongolian costumes, and had pictures taken with performers.

Ismail Amat, Ye Qing, Yao Zhenyan, and Han Zhubin attended the soiree.

#### Further on Celebration

OW3004171194 Beijing XINHUA in English 1702  
GMT 30 Apr 94

[Text] Hohhot, April 30 (XINHUA)—Chinese Premier Li Peng met with model workers from across the Inner Mongolia Autonomous Region here this evening in celebration of the International Labor Day.

Li, who arrived at the capital of the autonomous region yesterday after a visit to four Central Asian countries and the State of Mongolia, expressed greetings to workers of the region and rest of the country.

He said that his latest visit had advanced the friendly relations between China and the host countries.

He noted that China's success in foreign affairs has been based on its achievements in carrying out the reform and opening policies. The independent foreign policy of peace has also created a favorable environment for domestic economic construction.

The premier, who has been to Inner Mongolia three times over a decade or so, said that great changes have taken place in the region.

He pointed out that Inner Mongolia, with rich resources, has great potentials of development.



He urged model workers to make even greater contributions to the country's modernization and prosperity.

Li Peng also attended an evening party the regional government held to mark the International Labor Day.

### **Jiang Zemin Tours Shanghai, Stresses 'Stability'**

#### **Pays Visit to Pudong**

HK0205034394 Hong Kong MING PAO in Chinese 30 Apr 94 p 2

[Report by special correspondent Chao Yang (6392 3363): "Jiang Zemin Makes Inspection Tour of Shanghai at a Sensitive Moment and Stresses Stability"]

[Text] A reliable source has said that Jiang Zemin, CPC general secretary and state president, arrived in Shanghai on an inspection tour last Tuesday [26 April] and later paid a special visit to the Pudong new zone. A Shanghai official source believed that Jiang Zemin's return to Shanghai, where he had risen to power, has strong symbolic significance on the eve of the fifth anniversary of the 4 June incident and the fourth anniversary of the launch of the Pudong full development project.

The source said that Jiang Zemin arrived in Shanghai on 26 April (Tuesday) by special plane in the company of the CPC Central Committee General Office director Zeng Qinghong (formerly deputy secretary of the Shanghai Municipality CPC Committee, and, as such, one of Jiang Zemin's henchmen). On the previous day (Monday) he received the visiting Canadian Governor Ramon John Hnatyshyn in Beijing, the last foreign guest that he was scheduled to entertain in April. On the afternoon of the same day—when Jiang left Beijing—the Central Military Commission called a forum to study the *Selected Works of Deng Xiaoping*, in which the officers in charge of the six major military regions were present. Jiang Zemin, as the chairman of the military commission, did not attend the forum, which was instead presided over by Liu Huaqing, vice chairman of the military commission.

A Shanghai source revealed that Jiang Zemin stayed in Xijiao Guest House in Shanghai (the guesthouse where Deng Xiaoping used to stay when he came to Shanghai to pass the Chinese New Year). Most of the time he stayed in the guest house, except for the visit he paid the other day to the Pudong new zone. Over the past few days, he held meetings in the guest house with Shanghai leaders, including Wu Bangguo, a member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipality CPC Committee, and Shanghai Mayor Huang Ju. It is said that they touched on such topics as the solution to problems that have arisen from the Pudong development project, the way to stabilize the commodity prices in the Shanghai market, and those issues facing state-owned large and medium enterprises in reform, for example, the shortage of funds, unemployment, and decrease in income.

### **Turmoil Is Intolerable, and Large Companies Are Being Asked To Prop Up the Market**

The source disclosed that Jiang Zemin had specifically stressed the issue of stability during this tour of Shanghai. As Shanghai is one of China's industrial hubs, the country's primary financial source, and a metropolis which is home to many state-owned large and medium enterprises, Jiang Zemin held that maintaining stability in Shanghai is a task "no less important than maintaining stability in Beijing." Because Shanghai managed to remain stable in 1989, the city played a crucial role in the rapid return to stability throughout the country at that time. The Shanghai authorities tacitly knew about this idea—"stability overrides everything." So, back in March, after the people's congress session, they raised the amount of living expense allowance for retired workers. Recently the department concerned in Shanghai has been trying to convince major companies on the stock market to join forces in "propping up the market" and keep the Shanghai Stock Index above 600 points. The argument is that any turmoil which may burst out among stock investors is absolutely intolerable on the eve of the anniversary of the 4 June incident. In spite of this, the Shanghai stock market still failed to keep the index above the 600 point level yesterday, when it dropped to 592.

The Shanghai informed source said that Shanghai is the place where Jiang Zemin rose to power. He was promoted to the central leadership to replace Zhao Ziyang as CPC general secretary in the middle of his term of office as secretary of the Shanghai municipality party committee. Next month will mark the fifth anniversary of Jiang Zemin's Beijing posting (he was summoned to Beijing on 16 May 1989). Now, at this sensitive moment—the anniversary of the 4 June incident is drawing ever nearer, China's economy is facing a lot of trouble, and political development is entering a post-Deng period—Jiang Zemin's return to Shanghai could mean to support his henchmen and to consolidate his backyard, and this can be viewed as an event of strong symbolic significance.

It is said that, since both State Council Premier Li Peng and Hu Jintao, member of the Political Bureau Standing Committee in charge of party affairs, are now on missions abroad, all the major operations of the CPC Central Committee and the State Council have been taken over by Zhu Rongji, acting premier and concurrently member of the Political Bureau Standing Committee, and Liu Huaqing, vice chairman of the Central Military Commission, while Jiang Zemin is away from Beijing. Two other senior members of the Political Bureau Standing Committee, Qiao Shi, who also is the chairman of the National People's Congress Standing Committee, and Li Ruihuan, who is the chairman of the Chinese People's Political Consultative Conference National Committee, seldom attend to these matters.

Since Jiang Zemin is to receive Kenyan President Daniel T. Arap Moi, who will arrive in Beijing on 3 May (next Tuesday), he is expected to return to Beijing in the next few days.

#### Visits Homes of Shanghai Workers

OW0105150194 Beijing XINHUA in English 1449  
GMT 1 May 94

[Text] Shanghai, May 1 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), called at the homes of a factory director, a textile weaver and a bridge builder here on the occasion of the International Labor Day today.

Accompanied by Wu Bangguo, secretary of the CPC Shanghai Municipal Committee, and Huang Ju, mayor of Shanghai, Jiang arrived at the home of Liu Tianfu, director of the Shanghai General Factory of Corduroy, at about 9:00 in the morning. He greeted Liu's family and praised Liu's spirit of fighting against difficulties to extricate his factory from the predicament of general debility. He said that he believes the factory will surely get better and better.

Liu was former director of the Shanghai No. 17 bleaching and dyeing mill, an advanced and profitable enterprise in Shanghai. But he voluntarily gave up the post to become director of the factory of corduroy, which had experienced general deficits. Although his monthly income has been greatly reduced, Liu has been mobilizing the workers and staff members of the factory of corduroy to turn the factory around.

Jiang and his contingent next arrived at the home of Du Yuying, a female weaver of the Shanghai Longtou Co. Ltd. (formerly the Shanghai No. 17 Textile Mill) who has developed an advanced method of looking after the looms and now studies the subject of management at the China textile university. Jiang encouraged Du to persist in studying and set an example for other workers.

Afterwards, Jiang called on Zhu Zhihao, chief commander of the construction of both the Nanpu and Yangpu bridges and one of the ten top model workers in Shanghai. The two bridges are among the biggest cable-stayed bridges in the world. Jiang asked about the design and construction of the bridges and encouraged Zhu and other bridge builders to catch up with world levels in construction of bridges. He also had pictures taken with the members of Zhu's three-generation family.

Hearing the news that General Secretary Jiang was calling at the workers' living quarters, many residents lined the road or stood on their balconies to applaud and extend regards to Jiang. Smiling, Jiang waved back to the crowds and said to them: "Happy festival."

#### Wen Jiabao Views Rural Work During Sichuan Inspection

OW2904164694 Beijing XINHUA in English 1501  
GMT 29 Apr 94

[Text] Chengdu, April 29 (XINHUA)—Rural work must center around guaranteeing the supply of agricultural products and increasing farmers' income, a senior party official said recently in central China's Sichuan Province.

Wen Jiabao, alternate member of the Political Bureau of the Central Committee of the Communist Party of China and member of the Secretariat of the CPC Central Committee, made the remarks during his recent inspection of rural areas of Sichuan, a major agricultural province in China.

The countryside of China is undergoing a transformation from bare subsistence to a comparatively wealthy lifestyle, and from traditional to modern agriculture, according to Wen.

Two major strategic tasks lie before the development of agriculture and the rural economy, namely, the guaranteeing of a sufficient supply of agricultural products and the stable growth of farmers' income, Wen said.

He pointed out that to reach the two targets, rural reforms must be deepened to develop the rural economy in line with the overall planning and requirements of establishing a socialist market economic system.

Above all, the initiatives of farmers must be protected and mobilized and the status of agriculture as the foundation must be strengthened to guarantee its stable development, he noted.

Policies in favor of the development of major agricultural products, mainly reasonable price and purchasing policies, must be stipulated; high-efficiency and high-yield agriculture must be developed, relying on science and technology; and the government, collectives and individuals must all increase investment in agriculture to strengthen its comprehensive production capability, he said.

To increase farmers' income depends fundamentally on the overall development of the rural economy and the improvement of the rural economy's comprehensive efficiency, he pointed out.

He stressed that reforms must be deepened to realize the two major targets. The official also stressed the importance of market mechanism in the distribution of resources agricultural production and the supply of agricultural products.

On the other hand, the government must enhance the macro control of agriculture, mainly through economic and legal methods, to support and protect agriculture, improve the stability and prosperity of the market and better protect the interests of farmers and consumers, he said.

While the summer harvest is in sight, the late-stage management of wheat must be strengthened and at the same time the preparatory plowing for late spring crops must be stepped up, Wen Jiabao pointed out.

Purchase funds for the harvest must be guaranteed to lay a solid foundation for a harvest for the whole year, he noted.

#### **Propaganda Department Sponsors Labor Day Gala**

*OW0205120994 Beijing XINHUA Domestic Service in Chinese 0939 GMT 28 Apr 94*

[By Central People's Broadcasting Station reporter Li Renzhu (2621 0088 0031) and XINHUA reporter Yu Changhong (0060 7022 3163)]

[Text] Beijing, 28 Apr (XINHUA)—To usher in International Labor Day that falls on 1 May, the Propaganda Department held a get-together meeting in Beijing today. About 200 experts and scholars from social sciences, literature and art, as well as press and publication circles were invited to attend to strengthen contacts and enhance friendship in a happy atmosphere.

Zheng Bijian, executive deputy head of the Propaganda Department, spoke at the meeting. On behalf of Comrade Ding Guangen, he extended cordial holiday greetings to comrades in the social sciences, literature and art, and press and publication fields across the country. He also expressed his sincere thanks for their important contributions to and hard work in promoting socialist spiritual civilization and socialist modernization. Zheng Bijian said: It is very important to energetically strengthen the ties with social sciences, literature and art, and press and publication circles because we all shoulder a common historical responsibility, that is, to carry out the following four tasks forwarded by Comrade Jiang Zemin: "to arm the people with scientific theory, to guide the people with correct public opinion, to mold the people with noble spirit, and to encourage the people with fine works." We should stress the importance of spiritual civilization construction. In the light of the new historical stage our country has entered in our drive of reform, opening up, and socialist modernization and in consideration of the unprecedentedly severe competition of the overall national strength in the world including spiritual and cultural strength, such contacts, communication, and friendship become even more important. "The most important thing for cultivating friendship lies in understanding other's feeling." The Propaganda Department will try to "make friends with more people by winning their hearts." It will try its best to help them solve difficulties and problems existing in their work and daily life.

Liu Zhongde, deputy head of the Propaganda Department and minister of culture, also spoke at the meeting.

He said: We are living a great historical period. Propaganda and cultural workers should perform their duties commensurate with the great epoch. We should spare no efforts to achieve this goal.

Zhai Taifeng, deputy head of the Propaganda Department, presided over the meeting during which representatives from social sciences, literature and art, and press and publication circles expressed their opinions. Also attending were responsible comrades from the Organization Department, the United Front Work Department, the Personnel Ministry, the People's Liberation Army General Political Department, and other units. During the get-together, literary and art workers as well as comrades of the organizations under the Propaganda Department jointly performed brilliant literary and art programs.

#### **RENMIN RIBAO Labor Day Editorial**

*OW3004163394 Beijing XINHUA Domestic Service in Chinese 1219 GMT 30 Apr 94*

[RENMIN RIBAO 1 May editorial: "The Working Class Are the Main Force for Reform, Development and Stability—Celebrating 1 May International Labor Day"]

[Text] Beijing, 30 Apr (XINHUA)—In the days of spring full of vitality and in the struggle to seize the opportunity, deepen reform, open up wider, promote development, and maintain stability, the common festival of the laboring people of the whole world—1 May International Labor Day—has come. We wish to extend our festival greetings to workers, peasants, intellectuals and all laboring people of various nationalities in the whole country!

This year will be a crucial year for accelerating the establishment of the socialist market economic structure. We have to carry out the reform of the economic structure under the premise of maintaining a sustained, rapid, and healthy economic development and also have to realize a sustained, rapid, and healthy economic development under the situation of speeding up the reform of the economic structure. Therefore, we are required to do a lot of work and must correctly handle the relations between reform, development and stability, because those efforts are extremely important to having a good control of the overall situation and to doing a good job in this year's work. We must firmly rely on the working class and give full play to the role of the working class as the main force in deepening reform, promoting development, and maintaining stability.

In order to give full play to the role of the working class as the main force in the course of reform, we must widely and penetratingly publicize the guidelines of the 14th CPC National Congress and the decision of the Third Plenary Session of the 14th CPC Central Committee, and encourage the broad masses of staff members and workers to understand, support, participate in, and promote reform. The working class was, is, and will be, the advanced productive force. The change of enterprises'



operational mechanism and the establishment of a modern enterprise system are important links in the change of the economic structure. They are closely related to the personal interests of staff members and workers of enterprises, and they cannot achieve success without the understanding and support of the broad masses of staff members and workers. Reform will not change the staff members' and workers' position of being the masters of the country. Moreover, reform is to better whip up and develop the enthusiasm of staff members and workers, and to strengthen enterprises' vitality and vigor in the increasingly fierce competition of the market. In the course of carrying out reform by enterprises, we should actively explore new forms of democratic management and democratic supervision, protect the position of staff members and workers as the masters of the country, guarantee their power of using their due rights, and ensure that they will fulfill their own obligations.

To give full play to the role of the working class as the main force in the development, we must turn the enthusiasm, initiative, and creativity of the broad masses of staff members and workers into increasing production, practicing economy, raising quality, adding variety, increasing economic efficiency and carrying out technological innovation and also into running well enterprises and promoting the development of the productive force. Statistical data have shown that the work of staff members and workers of the whole country accounts for approximately 70 percent of the gross domestic product, or more than 90 percent of state revenues. Over the past decade and more, our country's economic power and combined national strength has increased significantly and we have made achievements which have attracted worldwide attention. The hard work of the working class is, in particular, inseparable to the consecutive high speed of economic growth in the past two years. In the future, the working class will also continuously make new contributions to the revitalization of the Chinese nation.

To bring into play the role of the working class as the main force in maintaining stability, we should thoroughly guarantee the working class' lawful rights and interests as stipulated in the constitution and other laws. China is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants; hence, the working class shoulders an important responsibility toward the country's long-term stability, order, and prosperity. Workers should pay attention to ideals, discipline, unity, and overall interests; should conscientiously subordinate individual to collective interests, local to national interests, and immediate to long-range interests; and should strive to maintain social stability and to safeguard the political situation characterized by stability and unity.

To carry out the great historic mission during the great social transformation, Chinese workers should step up the effort at study in order to comprehensively improve their quality. They should diligently study Volume 3 of

the *Selected Works of Deng Xiaoping*, arm their minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, enhance their awareness and steadfastness in implementing the party's basic line, and play an active role in building material and spiritual civilizations. They should study some rudimentary knowledge, basic theory, and legal knowledge on socialist market economy so that they can keep a clear head during the change of economic structure and be clearly aware of their position and role in reform. They should also study knowledge on management and operation, as well as science and technology, so that they can improve their skills in the socialist modernization drive.

To show concern for workers' livelihood and solve their practical problems is an important guarantee for bringing into better play the working class' role as the main force. Due to various reasons, some workers' living standards have improved slowly, and some have even encountered passing difficulties. Party committees, governments, and trade union organizations at all levels should, with a profound sense of responsibility, show concern for workers' livelihood and do everything possible to help them overcome difficulties. The fundamental way of solving problems lies in deepening reform and developing the economy. While solving problems, it is necessary to explain to workers why some problems are difficult to be solved immediately or completely. The party Central Committee has time and again instructed party organizations and leading cadres at all level to serve the people wholeheartedly, to forge close ties with the masses, and to show concern for their everyday life. Trade union organizations at all levels should listen attentively to the views of the masses, promptly and accurately reflect them to party and government departments, and try their utmost to help the masses. Recently the All-China Federation of Trade Unions launched a "show-compassion project" nationwide in a bid to mobilize various quarters of society to help solve problems for workers and enterprises plagued with difficulties. The project is essential and timely for enhancing the confidence and courage of enterprises and workers to tide over difficulties. Party committees and governments at all levels, as well as the whole society, should actively support this project to show the compassion of the party and the government for workers in distress.

Led by the party Central Committee, with Comrade Jiang Zemin as the nucleus, the large numbers of workers, peasants, intellectuals, and other working people throughout the country should unite more closely and work hard and adroitly with an indomitable spirit to create a bright future for our country and hundreds of millions of workers through reform and construction.

**CHINA DAILY Commentary Marks May Day**  
HK3004074694 Beijing CHINA DAILY in English 30  
Apr 94 p 4

[Commentary from the "Opinion" page: "Labour Day"]

[Text] Tomorrow is Labour Day.

We want to extend holiday greetings to working people all over the world.

In China, workers are building a socialist market economy with Chinese characteristics.

And the growth of the national economy is the result of their hard work. Every step of the economic reforms has been boosted by their selfless support.

They have proved their worth as the leading class of the People's Republic and have earned the respect of the nation.

Although reform is now being targeted at central planning, the government continues to strive for workers' welfare. For instance, it is seeking effective ways of implementing the constitutional principle of "to each according to one's work."

The government is making great efforts to strike a balance between efficiency and fairness.

With the contract employment system, workers' rights and interests are safeguarded and their freedom in choosing jobs ensured.

While making a series of laws on labour safety and minimum pay, the government is constructing a uniform welfare umbrella for all workers regardless of the ownership of the enterprises which employ them. With rapid economic growth, the nation is also experiencing higher inflation and rising unemployment.

Current difficulties in the State-owned sector are affecting the living standards of the employees.

Infringements upon labour rights are on the rise in foreign-funded and private firms. And their labour safety standards are often found to be substandard.

As a result, trade union federations and relevant departments are raising their voice for speedy and substantial improvement on these issues.

While encouraging the private sector to create more jobs, the government is also helping to re-train surplus workers for reemployment.

The recent government decision to reduce State employees' working hours from 48 to 44 per week allowed working people to share the benefits of economic prosperity.

The authorities are also laying down labour rights in the new market economy.

The long-awaited Labour Law will soon be adopted. And drafting laws on labour protection has been given priority.

With the deepening of reforms, Chinese workers will enjoy better protection and fuller rights.

### Country Celebrates International Labor Day

OW0105141094 Beijing XINHUA in English 1336  
GMT 1 May 94

[Text] Beijing, May 1 (XINHUA)—People in various parts of China celebrated the May 1st International Labor Day in different ways today.

In Shanghai, the largest industrial city of China, over 5,000 workers poured into the East Shanghai Workers' Cultural Palace to visit an exhibition of the heroic deeds of Bao Qifan, an inventor and one of the ten national model workers. Meanwhile, "Red-May" singing contests were held in over 30 workers' clubs.

Model workers became the stars at a rally of over 50,000 people in Chongqing in southwest China's Sichuan Province to mark International Labor Day. With red flowers pinned to their chests, more than 560 model workers from various circles were praised and presented their skills at the rally.

Many workers in Wuhan, capital of central China's Hubei Province, stood fast at their posts, such as sites of highway construction, steel-making and airport construction. They made up their minds to make greater contributions as a celebration of their own festival on the day.

Leading officials of Liaoning Province and Shenyang city joined the local people in get-togethers in the four major parks in Shenyang, capital of Liaoning Province. They saluted advanced workers at the provincial and city levels, who were also invited to attend the gatherings.

Wang Mingliang, director of the smeltery of the No. 3 Steel Plant of the Taiyuan Iron and Steel Company, the largest special steel producing base of China, told XINHUA that a "Red-May" labor emulation drive was launched today to celebrate International Labor Day, and all the workers are enthusiastic about taking part in the drive.

### State Council Councillor Zhang Zhixing Dies 14 Apr

OW3004081594 Beijing XINHUA Domestic Service in Chinese 0623 GMT 29 Apr 94

[Excerpt] Beijing, 29 Apr (XINHUA)—Comrade Zhang Zhixing, CPC member and State Council councillor, died of illness in Beijing on 14 April at the age of 93. [passage omitted]

### Journal Views Top Leadership Orientation

HK2704065894 Hong Kong KUANG CHIAO CHING in Chinese No 259, 16 Apr 94 pp 6-9

[By Chou Jung (0719 2837): "Jiang Zemin Organizes Leading Body for Next Century; Top Leadership Fixes Orientation To Guarantee Stability"]



**[Text] Jiang Zemin Stresses Need To Maintain Stability and Not To Lower Guard**

At the National People's Congress [NPC] and Chinese People's Political Consultative Conference [CPPCC] sessions in Beijing, obvious hot topics were such questions as the readjustment and distribution of interests (including investment projects, development rates, preferential policies, and the ratio between profits and taxes), the anticorruption drive, the public order situation, and commodity prices. These are major questions which have a direct bearing on the success or failure of reform and on whether or not the overall situation is stable. CPC General Secretary Jiang Zemin stressed that maintaining a stable situation across the country is a big question which is bound up with whether or not the party and the leadership survive and that we must not lower our guard in this regard.

**Local Party and Government Officials Hold Radical Views**

One of the main characteristics of the above sessions was that CPPCC delegates, who had previously held radical views, mostly supported the CPC's reform proposals. Although they might not have agreed with the timing or the methods as to how the reform proposals are to be implemented, they could not put forward better counter-proposals. This was not the case with NPC deputies from all provinces, municipalities, and autonomous regions, however. Local party and government officials, especially, held very radical views.

The CPC top leadership is worried that once the investment front becomes too long and development is too speedy, China may once again revert to price raises and inflation which will, in turn, introduce new instability factors into society. This was the real focus of concern for officials and the general public and is also crucial to the success or failure of this year's reform. The policy decisions were accepted by the overwhelming majority of NPC deputies and CPPCC delegates. In view of this, political reform will continue to be postponed, and maintaining a stable overall situation takes precedence, and has become a common consensus.

Judging from the current construction plan and the situation of reform and opening, the CPC is most concerned about guaranteeing the overall stability of agriculture, commodity prices, and society.

**Planning To Form a Leading Group Straddling the Next Century**

As regular meetings of the NPC and CPPCC, the sessions, given no outstanding big issues, made comparatively few personnel changes. Two vice chairmen, Wan Guoquan and Zhu Guangya and a new secretary general Zhu Xun, were added at the CPPCC session. Wan is the leader of a democratic party, Zhu is an authority in science and technology circles, and Zhu Xun is the minister of geology and mineral resources. The personnel changes appear to give a clear picture of the

pattern. On the other hand, the NPC Standing Committee elected two members, Zeng Xianzi and Nie Li, in a by-election and the CPPCC Standing Committee elected Zhang Yongzhen from Hong Kong in a by-election so that their compositions are more representative. These were all normal personnel arrangements.

The top CPC leadership attaches great importance to the stability of the leading groups of the party, the government, and the armed forces. At the last NPC session, Jiang Zemin stressed that the central leading groups are united and harmonious and so can cope with foreign interference and various kinds of tests at home. Judging from the trends and signs, after functioning and working for more than four years, the CPC leadership, with Jiang Zemin at the core, has already established a firm position in China. What they are now mainly planning is to supplement and form a group of young people to straddle the next century.

Many experts maintain that the 9 percent economic growth and the 10 percent price increases in Li Peng's Government Work Report are comparatively appropriate indexes of development and stability. Economist Liu Guoguang said: For three consecutive years, China has grown at a rate of 10 percent or more and this is unprecedented in the world. We should not only see whether or not China can endure it this year but also consider the economic efficiency next year and the year after next. This year's macroregulation and control should control economic growth slightly so that what should be controlled is controlled and what should have controls relaxed has them relaxed appropriately.

Not long ago, Deng Xiaoping said: "China is already a political power. It will also become an economic power in the future." The CPC expects to maintain healthy and sustained growth rates through a careful and mature layout of economic reform and construction, to succeed in building new market economic mechanisms and join the ranks of world economic powers.

**It Is Vital To Guarantee the Stability of Agriculture**

Without grain, there is no stability. This is a saying by CPC elders, and above all Deng Xiaoping, who have always used it to remind the leading group.

Since the series of reform plans were introduced earlier in the year, all localities have vied with each other to initiate development projects which "require less input, yield greater economic results, and promise quick returns." This, coupled with the continually increasing cost of agriculture, results in farmland being laid waste. The continuously mounting pressure of "migrant workers" coming into the cities has led, in some places, to the panic purchase of grain, edible oils, and foodstuffs and also to prices being driven up. This has highly alarmed the top CPC leadership. No sooner had the NPC session finished than the CPC called the Central Work Conference on Agriculture. There, Jiang Zemin stressed the



need to consolidate the fundamental role of agriculture and guarantee the steady development of agriculture and the entire rural economy.

#### **Zhu Rongji's Worries**

In order to support agricultural production, the State Council initiated reform of the grain purchase and marketing system, whereby the purchasing and sales prices of grain and edible oils were increased and all provinces, municipalities, and autonomous regions canceled city and town supply rations and opened up the grain and edible oils markets. Zhu Rongji said: Here there is a rational factor, that is, grain prices must be increased because they are so low that peasants do not find it pays to grow grain crops. However, he also admitted that it is both pleasing and worrying to increase grain prices. What is pleasing is that peasants will have their incomes increased and what is worrying is that the grain prices in some places are driven up artificially so that there is the worry that the price increases do not really go into the hands of the peasants but to the intermediary links or to those who change hands. Zhu Rongji said: It is necessary to continue to stick to the orientation of reform and continue to proceed with the reform of the purchasing and marketing systems. There is no turning back and we are unable to turn back. He maintained that it is necessary to resolve the current problems. He also said that the rise in grain prices will push up other prices and will lead to panic among the residents which will, in turn, affect the process of reform and therefore must be seriously dealt with. The reform aim is to promote a steady growth in grain production, promote a brisk and stable market, and protect the interests of peasants. If the existing salient problems are not properly resolved, it will be difficult to achieve the goal of grain reform. For this reason, it is necessary to strengthen macroregulation and control, establish a grain storage system and a risk fund, and stick to the protective-price purchasing system.

#### **CPC Plans for Future Agricultural Development**

It is learned that the main goals set by the CPC for agricultural development in the 1990's are: To develop the rural economy in a comprehensive way, stabilize the output increases of major farm products, and meet the needs of achieving comparatively comfortable living standards for the people throughout the country and of the national economy in terms of quantity, variety, and quality.

For this reason, China will continue to stabilize contract responsibility systems, chiefly the contract responsibility system on a household basis with remuneration linked to output; perfect the system of unified management combined with independent management; vigorously develop the collectivized agricultural services; and gradually enhance the collective economic strength. It will continuously consolidate the agricultural foundation, increase agricultural inputs, improve basic agricultural facilities, and ensure that agriculture is further upgraded

to meet the needs of the development of the national economy. It will deepen rural reform and strengthen the development of such basic facilities as the rural markets, communications, transportation, storage, information, and consultancy services as well as the development of various socialized service systems. It will strengthen the promotion of agricultural scientific research and technology; continue to arrange for comprehensive agricultural development and utilization of standby resources; optimize the rural industrial and economic structures; vigorously develop foreign-exchange-earning agriculture; integrate crop growing, livestock breeding, and processing and combine trade, industry, and agriculture; develop new industries and new fields of employment in rural areas; and enhance comprehensive productive capability. It will encourage peasants to increase incomes and achieve a comparatively comfortable life.

#### **The Success or Failure of Reforms in China Today Depends on Commodity Prices**

Commodity prices are a very sensitive nerve in the market and society. In the first two months of this year, commodity price indexes across the country had a startling rise of almost 20 percent. Both Li Peng and Zhu Rongji criticized raising the prices of such foodstuffs as milk before the opening of the Beijing Municipal People's Congress session. Zhu Rongji said: Many large and medium cities around the world grant some public subsidies in order to stabilize social life. We must never pass the burden on to the public or concentrate their money on expanding the infrastructural scale. Guangdong's economy has been developing speedily in recent years but its farmland has been seriously laid waste. Some cadres claim they have money to buy grain even if it is much more expensive, so they raise grain prices and engage in panic purchases everywhere, affecting the normal market economy. Zhu Rongji criticized Guangdong for shirking its responsibilities to others now that it has so big a population and so much good farmland. He stressed that stabilizing commodity prices is vital to the success or failure of reforms.

#### **Zhu Rongji Criticizes Guangdong [as published]**

In view of this, the State Council published a special document appealing for measures to limit commodity prices and an inspection team, headed by State Planning Commission Minister Chen Jinhua and two vice ministers, visited various localities around the country to inquire into the question of commodity prices. In response to the repeated appeals from various localities to quicken development, during the NPC session, the top CPC leadership gave explanations to various deputations and repeatedly stressed that they had to be realistic, acting in keeping with their capabilities, and that they should curb the trend of being enthusiastic about initiating new projects without considering their conditions. For this reason, they have to strengthen and improve macroregulation and control and prevent the recurrence of inflation. Key CPC figures stressed that macroregulation and control should control economic growth slightly

in light of the actual situation so that what should be controlled is controlled and what should have its controls relaxed have them relaxed appropriately.

This is a crucial year for reform, say the CPC authorities. China not only needs to establish market economic mechanisms but also needs to link the home market with the international market gradually and strive to rejoin GATT as soon as possible. Therefore, all reforms, such as the reform of finance, tariffs, banking, foreign trade, commodity prices, investment, tax revenue, business administration, and the enterprise systems embody these two objectives.

#### **Deng Xiaoping and Jiang Zemin Guard Against U.S. Strategy of "Westernization and Division"**

At the NPC session in March, most of the NPC deputies and CPPCC delegates from all provinces, municipalities, and autonomous regions supported the various reform proposals. On his visit to Beijing, U.S. Secretary of State Warren Christopher did not get what he had anticipated. Deng Xiaoping and Jiang Zemin will not give way in guarding against the U.S. strategy of "Westernization and division." On the question of restoring China's GATT membership, U.S. representative Dorros Dewerszhin [duo luo xi de wo er si jin 1122 5700 6007 1795 3087 1422 2448 6855] declined to give China a definite date when it can rejoin GATT although representatives of Japan, the European Union, Canada, Uruguay, and the Scandinavian countries all hoped that China, the most populated country in the world, be allowed to rejoin GATT. At the session, Gu Yongjiang, Chinese representative and vice minister at the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] deeply regretted that the question of rejoining GATT remained unresolved, despite talks for the past seven years. On 18 April, MOFTEC Minister Wu Yi headed a large delegation for a new round of relevant talks in the United States. It is now impossible to predict what the future results will be but, recently, Clinton and some U.S. Congressmen and prominent political figures have repeatedly given speeches stressing the need to focus on long-term U.S.-Chinese relations. Many people favor separating human rights, economic relations, and most-favored-nation status. Out of consideration for Sino-U.S. bilateral interests and development, most observers are still optimistic about the prospect of the development of relations between China and the United States, the two big powers.

However, it is very difficult to judge whether or not it is good for China to rejoin GATT. Mainland China's reform is at a stage where key problems are being tackled and many economic relations have yet to be straightened out. Many experts conclude the fact that if China hastily rejoins GATT this will have serious consequences and will obviously increase by more than one-third the losses in its state-owned enterprises. They hold that the influx of large quantities of foreign products and their impact will even lead to the bankruptcy of a considerable number of enterprises, to an increase in the number

unemployed, and to a considerable increase in the instability factors in society. Therefore, they argue that it is much more conducive for China to rejoin GATT at a later date. Other experts maintain that China's rejoining GATT presents a great opportunity to change itself into a market economy and that the advantages outweigh the disadvantages. One thing we can be certain of is that the prospect of rejoining GATT, as the CPC announced earlier, has not been decided to date.

#### **Protracted War Against Corruption**

The problem of power corruption is worrying the key CPC figures. Jiang Zemin criticized it saying: Corruption has developed to the point whereby people will not do anything unless they are given money or presents. Some county-level cities cannot even pay wages to their staff and teachers while their party and government departments have money to purchase deluxe sedans. We must not underestimate the seriousness and harm of the problem and must adopt resolute measures to resolve it. We must handle corruption cases strictly in accordance with the law, thoroughly investigate violations of discipline and law, dismiss those who should be dismissed, sentence those who should be sentenced, and sternly punish those who should be sternly punished. Those who seriously interfere with or obstruct the investigation of cases should be resolutely punished. In this year's anti-corruption work, we should concentrate our energies on investigating and dealing with big and serious cases; resolutely emphasize the investigation of lawbreaking cases by party and government leading organs, leading cadres, and judicial departments, administrative and law-enforcement departments, economic administration departments, and their work personnel; make it a point to investigate and deal with the bribery and corruption cases featuring leading cadres and the malpractices of judicial and administrative personnel, such as practicing favoritism, perverting justice for bribes, harboring law-breakers, as well as crimes committed by legal persons.

#### **Obstacles to the Anti-Corruption Drive**

Since the CPC put forward the five rules regarding how cadres should keep their hands clean and exercise self-discipline, cadres at all levels have launched self-investigations and have obtained some practical results. However, the top CPC leadership maintains that the anticorruption work is not proceeding in a balanced way and that many problems exist in it. In the self-investigations, some cadres have dealt with insignificant and overt matters rather than big and covert ones. They have not even talked about the obvious problems before them or dealt with the many problems already discovered. Influenced by the "idea that corruption is inevitable," some leading cadres argue that "economic development should take the lead and adherence to the four cardinal principles should give way" because it will "be smooth sailing to do only one type of work and attach importance to it" and it will be "difficult at both ends to



do two types of work and attach simultaneous importance to them." Moreover, they argue that one "is liable to make an error if one braves it out" and that one "should be allowed to pay tuition fees [jiao xue fei 0074 1331 6316]." The cadres in some localities and departments fear they will register a loss if they do too much anticorruption work while others are worried that continuing the anticorruption work will affect reform and opening up and economic development. Being unclear themselves, some officials fear they will get into trouble if they continue the work. It has become very popular that they do not report corruption, do not handle corruption cases, or do not strictly enforce the law. It still prevails that their words speak louder than the law and their power outweighs the law.

**Resist the "Tendency To Beg For Leniency" and Break the "Network of Connections" and "Protective Layer"**

The top CPC leadership maintains that, as the economy is growing and reform is deepening, some new circumstances and contradictions will appear in the readjustment of interests of all parties and in the change of concepts. People will take advantage of the loopholes afforded by the unsound legal system and supervisory mechanisms and continue with their corrupt practices, seeking private gain by violating the law and discipline. Therefore, it is necessary to continue with the anticorruption work in a thorough, protracted, and more effective way and to concentrate energies on the investigation and handling of big and serious cases. It is necessary to resist the "tendency to beg for leniency" and break the "network of connections" and the "protective layer," and further consolidate the coordination of the discipline inspection supervisory organs and the supervisory organs for judicial, personnel, administrative, and law-enforcement organs, enhancing their overall capability in dealing with corruption cases.

In order to match the need of thoroughly pursuing reform this year, it is necessary to promptly remove those corrupt elements who symbolize state power and who are in the legal machinery. Only by doing this can political power and social stability be consolidated. The top CPC leadership emphasizes that this year's anticorruption work will begin with three areas: First, disclose, investigate, and deal with such malpractices as not carrying out decrees, resorting to uncurbed malpractices, having one's own way, and seriously violating the law and breaking discipline in the course of implementing the measures for the reform of the tax, banking, foreign trade, investment, and planning systems and for enterprise reform. Second, disclose, investigate, and deal with such malpractices as fraud, deceiving the higher authorities and hiding facts from the lower authorities, and interfering with reform and development. Third, seriously investigate cases of dereliction of duty and serious bureaucracy which have resulted in great losses or deaths and casualties, foster a clean and hard-working government, and promote the establishment and improvement of the regulations and systems for the new structure.

**Vocational School for Criminals Opens in Fuzhou**

OW0105065994 Beijing XINHUA in English 0310  
GMT 1 May 94

[Text] Fuzhou, May 1 (XINHUA)—The first vocational school for criminals in China opened last week in Fuzhou, capital of southeast China's Fujian Province.

Zhonghua (China) Vocational School of Fujian, which covers an area of 33 ha [hectares] in Minhou County, in Fuzhou Proper, was jointly sponsored by the Provincial Reform-Through-Labor Bureau and the Zhonghua Vocational Education Society of Fujian.

The school is aimed at reducing the rate of criminal recurrence through helping offenders who will soon be released to grasp an occupational skill so that they can stand on their own when they return to society.

At present, the school teaches five vocations, including repair and maintenance of motorcycles and of household electrical appliances, cookery, cake-making and decoration.

For the first term it has enrolled more than 300 criminals in the province who have remaining sentences of less than half a year, have good performance records and are willing to go to school.

Three to four terms are scheduled for this year, each lasting for three to five months. About 1,000 will undergo training.

The curriculum will be renewed and expanded in line with economic development, according to school officials.

**Internal Population Movement Helps 'Reduce' Birthrate**

OW2904120594 Beijing XINHUA in English 1108  
GMT 29 Apr 94

[Text] Guangzhou, April 29 (XINHUA)—China's trans-provincial population movement over the recent few years has helped reduce population growth instead of adding to the population pressure, according to a recent survey published here today.

Based on the fourth national population census and the random survey of areas with the largest number of migrants, the survey is conducted by the family planning department of Guangdong Province.

The survey concludes that the general birth rate of the flowing population is 34.5 per thousand lower than the non-floating population and the peak child-bearing age is 28, two years later than the non-floating population.

China's population began to flow into cities and developed coastal areas in the early 1980s when China started its rural reform.

Government sources said that up to 110 million farmers have left their land for industry and services in cities and



some 20 million people have been in trans-provincial movement. Guangdong Province has the largest number of migrants. It was estimated that there are more than 10 million migrants, mostly women, accounting for one sixth of the total permanent residents in the province.

Jiang Xiaodong, an official from Guangdong Provincial Family Planning Commission, said, generally speaking, the population movement is favorable for pushing the family planning policy.

He said that by moving into cities, the rural people have to spend most of their time improving their living standards and skills in order to struggle to survive keen competition and this compels them to delay their marriage and control birth.

By moving into cities, he said, rural residents have to accept the new ideas and new habits of living, thus making it favorable for them to break away from the traditional ideas about marriage and birth.

#### **Spokesman Details Reform-Through-Labor Service**

HK0105055094 Beijing RENMIN RIBAO in Chinese 7 Apr 94 p 3

[Report by staff reporter Mao Lei (3029 4320): "China Maintains Good Order in Labor-Reform Centers, Improves Quality of Reeducation Through Labor"]

[Text] During a recent interview, Justice Ministry Spokesman Jia Jingping told this reporter that good order had been kept in reform-through-labor and reeducation-through-labor centers in China, with the escape rate of prisoners and detainees undergoing re-education through labor remaining at the lowest level.

Justice Ministry statistics show that last year 1,244,000 prisoners were kept in prisons or reform-through-labor camps in the country. In the same year, 247,000 prisoners had their sentences reduced, 33,000 prisoners were released on parole, and 34,000 were released on bail for medical treatment, all because they had shown repentance or had done deeds of merit during their terms of imprisonment. A total of 301,000 prisoners were released on the completion of their terms of imprisonment last year.

Jia Jingping said: Reform-through-labor organs throughout the country have always adhered to the principle of integration of penalty and reform, with reform as the primary goal, and they have further strengthened surveillance, management, and reform of prisoners; tried hard to improve the quality of their work to reform prisoners; helped prisoners make a fresh start; and thus made contributions to preserving social stability.

He revealed that last year was yet another to witness stability in prisons and reform-through-labor camps across the country, with the case occurrence rate lowered

to the lowest level since 1984. The prisoner escape rate is 1.4 per thousand, still at a relatively low level, compared with past records.

Asked about conditions in re-education-through-labor centers, Jia Jingping said re-education-through-labor organizations in the country have further stepped up their efforts to educate and help personnel undergoing the re-education-through-labor process. Stability has been retained in re-education-through-labor camps, with the escape rate remaining at the lowest level, as compared with past records.

By the end of 1993, detainees kept in re-education-through-labor camps across the country totaled 153,000, an increase of 16.1 percent over 1992. These detainees included 3,800 women detained for prostitution, accounting for 47.5 percent of the females detained in reeducation-through-labor camps. A total of 11,800 people were detained for drug addiction, making up 7.7 percent of all the detainees. In the same year, a total of 75,900 were released from re-education-through-labor camps following the completion of their terms of detention, while 55,800 detainees had their re-education-through-labor periods shortened because of good behavior in camps.

#### **Beijing To Reform College Enrollment, Student Employment**

OW2904164794 Beijing XINHUA in English 1523 GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—China is making efforts to reform the enrollment of colleges and universities and employment methods of college graduates, according to the State Education Commission.

The reform, now on a trial basis, is aimed at changing the traditional obligation of the state to pay fees for university students and assign them to jobs when they graduate.

According to the new methods, colleges and universities will work out rational fee collection methods under which new students will have to pay a certain amount of fees calculated according to varying costs for different majors and relative family income.

On the other hand, such higher learning institutions will offer scholarships and student loans to encourage industrious study habits and preparation to compete on the labor market.

The institutions in turn will announce enrollment plans in advance, with reference to different majors in different provinces and regions, and make clear their fee standards in order for students to choose appropriate college locales and majors.

In this way, a college or university only has to set a unified standard for enrolling students to form a fair competition mechanism for all.

Traditionally, in addition to enrolling students who do not have to pay fees under the state's overall plan, universities have been allowed to admit students with sub-par entrance exam marks as long as they pay their own expenses.

The state will set up specific scholarships to meet demands in majors relating to key state construction projects, national defense, cultural and educational undertakings, basic sciences and eventual assignment to work in remote places.

Industrial enterprises and social institutions will also be allowed to establish scholarships. Students can apply for such specific scholarships but will have to be employed according to corresponding contracts signed beforehand.

In time, all students who do not apply for scholarships will have to rely on their own effort to find jobs when they graduate.

This year, 37 Chinese colleges and universities will begin to carry out such reforms.

#### **University Students To Pay Tuition, Find Own Jobs**

*HK3004073894 Beijing CHINA DAILY in English 30 Apr 94 p 1*

[By He Jun: "Freshmen To Pay Tuition in 37 Top Universities"]

[Text] Freshmen students attending China's top 37 colleges and universities will have to pay their own tuition beginning this fall, the State Education Commission announced yesterday.

And when they graduate, they will have to find their own jobs as part of this year's reform of the higher education system.

Students attending these 37 institutes will be asked to pay annual tuition of 1,000 to 1,500 yuan (\$115 to \$175), according to State Education Commission (SEC) officials.

The new tuition policy is designed to eventually replace the current so-called "dual track system" for college enrollments and job assignments.

The policy is meant to maintain higher education standards, uphold the policy of equal educational opportunities for all students and encourage collegians to study harder, according to Zhang Tianbao, SEC Vice-Minister.

The Chinese Government previously paid for everything but food and clothing for college students.

Then, in the mid-1980s, institutions began enrolling enterprise funded and self-funded students.

These students, who pay their own way, have been warmly welcomed by colleges. Schools see them as a source of revenue.

Self-funded students have increased substantially over the past few years and now account for 40 to 50 percent of some academies' enrollments.

But the rise in self-funded students has come at a cost, according to Zhang.

These undergraduates have actually lessened the quality of student bodies, he charged, especially at schools accepting pupils who scored low on the national college entrance exam in exchange for higher tuition fees.

The practice has also kept some needy students with higher scores from going to better schools, he added.

The new policy sets one cut-off score for each school and establishes a tuition standard for all new students Zhang said.

Students at other colleges will abide by the old policies, he added.

The universities and colleges piloting the new policy are mostly directly guided by SEC. They include Qinghua, Beijing and Nankai universities.

While emphasizing that higher education is non-compulsory education, Zhang said tuition standards must be set according to the exact costs for each student as well as the resources of students' families and local economic conditions.

Since some schools used to charge 2,000 to 4,000 yuan (\$230 to \$460) annual tuition from enterprise- and self-funded students, the incomes of some colleges will likely decrease with the advent of the new policy Zhang said.

#### **Trend Toward Studying at Home Reported**

*HK0205075294 Beijing CHINA DAILY in English 2 May 94 p 4*

[By staff reporter Zhang Xia: "Self-Study Provides New Skills at a Lower Price"]

[Text] Studying at home is all the rage these days.

For those who fail the entrance examinations for higher education, teaching oneself has become the thing to do. And it has become a popular and effective way to learn new skills, said a Chinese educator at a recent international seminar in Jinan, Shandong Province.

Hu Jiajun, director of the Self-taught Examination Office of Shandong, said the home-study method has helped many Chinese work their way up the career ladder.

Those interested sign up at provincial bureaux, which offer courses and textbooks on a wide range of subjects.

Students can choose a specific subject, study on their own and take a final exam at an approved university.

Course credits are given and college-equivalent diplomas are awarded to those who pass enough classes.

In the past decade, the country's rapid development has increased the need for a highly educated work force.

But the number of graduates coming out of the country's universities is too small to meet this demand.

So high school students who do not qualify for college and middle-aged workers are finding other ways to obtain an education.

The generation that grew up during the "cultural revolution" (1966-76) was deprived of higher education in their youth and are especially eager to study.

To meet this demand, various forms of adult education have started in the past 15 years.

#### Night Classes

Most popular are night classes at universities, self-study and correspondence schools.

Some classes are geared towards illiterate adults, other towards providing employees with professional training.

Self-study was initiated in 1981 as an experiment in Beijing, Tianjin Shanghai and Liaoning Province. Three years later it spread across the nation.

This is by far the cheapest way to get schooling—and therefore suitable to China, which is suffering from a shortage of education funds. Students pay only for their textbooks, registration and test fees.

According to United Nations statistics, China's education fund accounted for only 1.8 percent of world spending on schooling—appealingly little considering it shoulders nearly a quarter of the world's population.

Efforts need to be made to improve education. And self-study is a quick way to provide schooling when funds are scarce, said Hu.

For example, the State spends 7,500 yuan (\$860) to put a student through a technical school. To get the same level diploma through self-study costs only half as much.

Moreover, those who go through self-study can continue working at their jobs while schooling.

Self-study graduates can enjoy equal treatment as their college counterparts.

And self-study is more open and flexible.

Unlike night universities and correspondence courses, people do not have to pass tests to enroll. And there is no age limit.

But Hu said self-study must be regulated and courses should be set by experts after careful research.

Provincial self-taught examination offices must report to the State Education Commission (SEC) the courses and majors they offer as well as the university that supervises examinations. Offices can enroll students only after SEC approval.

Self-study is based on a credit system. Normally it takes two to three years to receive a diploma, but students who earn enough credits may graduate early. Students also have the option of taking as long as they need to complete the course.

By the end of 1993, 222 self-study majors were offered nationwide. More than 1 million students have graduated and received diplomas, helping to ease the country's shortage of professional personnel, Hu said.

This year 5 million people are enrolled in self-study.

And to ensure quality, Hu said certified educators are sent to supervise exams. Students found cheating are severely punished.

Reports show that most graduates of self-study schooling have a good command of basic knowledge and have good problem-solving skills. Because of this, self-study has a good reputation, he said.

#### Advisors

The employees at two law firms in Yantai, Shandong Province, for example, received their legal training through self-study. They act as legal advisors for more than 50 enterprises and institutions in the city.

And with their excellent counsel, they have helped enterprises save 38 million yuan (\$4.4 million).

But the self-study system is not perfect, Hu said, adding that the programme should cater to economic development needs.

Majors used to be limited to law, insurance, accounting and literature. In the future, engineering might be offered if teaching institutions allow students to use their equipment, Hu said.

Other fields may be opened to self-study in the future as well.

Self-taught examination offices could also help evaluate students and the quality of teaching at primary and high schools.

Doing so would save the State money and manpower, Hu said.

The seminar, co-hosted by Shandong Teachers' University and University of Nottingham, drew 80 educators from six countries.



**Social Service System Develops in Rural Areas***OW0205062494 Beijing XINHUA in English 0612  
GMT 2 May 94*

[Text] Guangzhou, May 2 (XINHUA)—Farmers in south China's Guangdong Province have forever changed the image of the lonely tiller of the soil and become owners of farms and breeding factories, thanks to the strong backing of local social service systems in rural areas.

Although he raises more than 2,000 pigs every year, Zeng Jinqi, a bright young farmer in Shunde City, has eliminated the worries of seeking marketing channels and buying forage and vaccines.

Whenever he needs a particular service, a phone call to the local social service network will soon bring about satisfactory assistance.

Multi-level and comprehensive social service systems have come into being in recent years along with the rapid burgeoning of modernized agriculture in this comparatively prosperous region of China.

Services provided include supply of funds, seeds, and forage to farmers, purchase of agricultural products from farmers, technological consultation and assistance in taking out various kinds of insurance.

Among the 15,100 social service institutes dotted throughout the towns and villages in Guangdong, a kind of "hospital for crops" has received the most praise from local farmers.

Numbering more than 630, the hospitals for crops have effectively solved technological problems peasants face in farming, guided them to grow crops benefiting from more scientific know-how and combined technological consultation with prompt supply of high-quality seeds and fertilizers.

The fruitful work of local social service systems has greatly increased the economic benefits of agriculture, and local farmers' interest in agricultural activities has been redoubled accordingly.

**Publication of New Periodical to Begin in May***OW0105083694 Beijing XINHUA Domestic Service in  
Chinese 0623 GMT 21 Apr 94*

[Text] Beijing, 21 Apr (XINHUA)—With the approval of the PRC Press and Publications Administration, the magazine CHINESE SOUL [ZHONG HUAHUN 0022 5478 7609] will meet readers across the country in May.

The magazine is a monthly of general interest sponsored by the China Yanan Spirit Study Society. It will first be published as a bimonthly in 1994, mainly catering to young and middle-aged workers, peasants, students, cadres, and soldiers. The purpose of the magazine is to promote the revolutionary traditions and the Yanan spirit; to eulogize Chinese civilization; and to nurture the

younger generation with lofty aspirations, sound moral sense, and good education and discipline.

**Economic & Agricultural****Li Lanqing Calls For Reforms in Foreign Trade***OW3004133094 Beijing XINHUA in English 1302  
GMT 30 Apr 94*

[Text] Guangzhou, April 30 (XINHUA)—Chinese Vice-Premier Li Lanqing urged foreign trade companies of the country to carry out bolder reforms during his visit of the ongoing 75th Chinese Export Commodity Fair here Friday [29 April] afternoon, on the eve of its close today.

The vice-premier visited the transaction halls and met with regional trade officials, in the company of Wu Yi, the minister of foreign trade and economic cooperation, and Zhu Senlin, the governor of Guangdong Province.

In his speech to the officials, Li congratulated the fair on its record transactions, saying that the introduction of a competitive mechanism is a major reason for its success.

Li affirmed that competitive bidding for export quotas is an effective solution to vicious and unfair competition between Chinese export companies.

Li said such a practice should be applied to more commodities than the present 13 sorts.

Li said he fully agrees with the plan that from the next session, commodities of the same sort will be displayed at one place, though business delegations will still be sent by provinces as they are now.

Li also urged local trade officials to take advantage of the country's new trade policies issued this year, for example, the application of a single exchange rate, to boost their local exports.

While admitting that the new policies have room to improve, the vice-premier called on trade authorities to improve them and to take measures to prevent possible problems from arising.

For example, Li said, foreign importers may unreasonably depress the prices of Chinese products, while Chinese exporters may also unreasonably raise the prices, all resulting in a rise of the cost of foreign currencies.

Li pointed out that the establishment of a modern enterprise system and multinational operation should be the direction taken for the remolding of China's foreign trade enterprises.

However, the vice-premier noted that the remolding should be properly approved and strictly follow the instructions of the State Council so as to hold mistakes to a minimum.

He stressed that in forming stock holding companies, internal shares must be limited to the promulgated amount as a measure against the loss of state-owned assets.

In his speech, the vice-premier also talked of improving the investment environment and training more competent foreign trade professionals.

### **Li Ruihuan Meets Representatives of Model Workers**

*OW0205115394 Beijing XINHUA Domestic Service in Chinese 0909 GMT 28 Apr 94*

[By reporters Li Niangui (2621 1628 6311) and Chu Baoping (2806 0202 1627)]

[Text] Beijing, 28 Apr (XINHUA)—Today, Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee, cordially met with 95 representatives of national model workers who had arrived in Beijing for "May 1st" celebrations, and had a group photo taken with them to mark the occasion.

Li Ruihuan delivered an important speech during the meeting. First of all, on behalf of the CPC Central Committee and the State Council, he paid high tribute to the model workers at the meeting, and extended season's greetings to workers, peasants, intellectuals, and the working masses of all nationalities on all fronts across the country!

Li Ruihuan said: Marxism's maintaining labor is of the utmost importance. Labor creates the world, social wealth, and a happy life, and promotes the progress of the civilization of mankind. Fundamentally speaking, all advanced systems and policies are formulated for the purpose of encouraging and protecting people's honest, vigorous, and creative labor. Model workers are outstanding representatives of laborers. The model workers' advanced thinking and splendid deeds carry forward the traditional virtues of the Chinese nation, make clear to all the course for the era to forge ahead on, should be commended by the party and government and respected by all walks of life, and should become examples for all the people across the country to learn.

Li Ruihuan pointed out: China's reform, opening up, and modernization have entered a new phase. "Seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" constitute the overall situation of our work in the country. The destiny of China's working class has always been closely interrelated to that of the party and state. The party and government believe the broad masses of staff and workers will conscientiously subordinate themselves to and serve [the needs of] this overall situation, properly do their duties in a down-to-earth manner, and give full play to their role as the main force.

He said: No doubt, reform can benefit the overwhelming majority of people, but it cannot benefit all the people at

the same time or to the same extent. At present, the improvement of the living standards of some staff and workers and some of the masses has been achieved at a slow pace and they have even encountered some temporary difficulties due to various reasons. Naturally, the party and government should be concerned with them. As a mass organization of the working class and as a bridge and link between the party and staff, workers, and the masses, trade unions should treat representing and protecting the interests of staff, workers, and the masses and helping them solve problems encountered in their livelihood as their basic responsibilities. Trade unions at all levels must carry forward their fine traditions, frequently go deep into the realities of life, maintain close links with the masses, pay more visits to localities that encounter difficulties to appreciate their situation, and call on more comrades who hold different opinion to have a heart-to-heart talk with them and to offer them services; they must enthusiastically and attentively listen to the voice of the masses, understand their wishes, and report problems accurately to the party and government departments in good time; they must do solid work with all their heart and all their might, continue to successfully carry out the project of sending warmth to the masses, and help them solve difficulties; and they must painstakingly do a good job of conducting ideological work with patience, eliminate contradictions, boost the morale of the masses, and win their understanding and support.

Finally, Li Ruihuan said: Our great motherland has an immeasurably bright future and we are full of confidence in our future. Let us unite, work hard, surmount difficulties, and continuously promote the great undertaking of building socialism with Chinese characteristics under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core.

Among the leading comrades participating in the meeting were Li Lanqing, Wei Jianxing, Ni Zhifu, Chen Muhua, Lei Jieqiong, Cheng Siyuan, Buhe, Peng Peiyun, Luo Gan, Ngapoi Ngawang Jigme, and Wan Guoquan.

### **Chen Jinhua Says Price Stability 'Pressing' Task**

*HK0105070694 Beijing ZHONGGUO XINWEN SHE in English 0410 GMT 30 Apr 94*

[Text] Beijing, April 30 (CNS)—Minister of the State Planning Commission Mr. Chen Jinhua said recently that stabilizing prices and controlling inflation were key needs for reform, development and stability and were pressing tasks in the economic sector.

Mr. Chen said that the serious problems at present were the worsening of inflation and a too fast increase in prices. The retail sales price index continues to rise based on last year's increase of 13 percent, a situation seldom seen since reform started. In particular, soaring prices for daily necessities, basic services and basic production means which were close to people's living and national economic development were intolerable to certain sectors.



Mr. Chen said that the issue of inflation had drawn the closest attention of the central authorities and the State Council had taken a series of measures recently to control prices. These were first, strict control over the speed of increase in fixed assets investment and the over-expansion of consumption fund. Second, much attention paid to agricultural production and the "food basket" project aimed at increasing supply. Third, strengthened government supervision and administration over prices including the establishment of price risk funds for grain and non-stable food, supervision over prices of 20 kinds of daily necessities and basic services, marked prices for commodity goods and services and price inspections throughout the country. Fourth, certain economic measures to control prices had been adopted to strengthen transportation of goods and materials and guarantee market supply. Authorities at various levels had also adopted a series of such measures.

Mr. Chen said that government must control and administer prices under the situation of the socialist market economy which was the common experience of all countries practising market economy. In the situation where most commodity prices had been formed by market forces, there was a pressing need to set up and improve a price control system.

#### Vice Finance Minister Comments on Population

OW0105085294 Beijing XINHUA Domestic Service in Chinese 0225 GMT 27 Apr 94

[Text] Washington, 26 Apr (XINHUA)—Chinese Vice Minister of Finance Jin Renqing 26 April said in Washington: The solution to the population problem of developing countries must depend on the incessant efforts of governments and people of developing countries themselves, but strengthening international cooperation is also an important part in solving the problem.

Jin Renqing made the above remarks when he attended the 1994 spring meeting of the World Bank Development Committee. He hoped that the developed countries would proceed from the view of helping the joint development of all mankind and adopt some effective measures to solve the world population problem, such as providing money and technical assistance to and improving the outside environment for developing countries. He also hoped that international organizations, including the World Bank, would adopt more positive policies on the population issue.

Jin Renqing said: There is a close relationship between population and development. To the many developing countries, rapid population growth will certainly limit their economic development, obstruct their efforts to raise people's standard of living, and put heavy pressure on their natural resources and ecological environment. The cheering thing is that more and more countries and people have realized this and are making positive efforts in this respect.

Touching on the issue of international trade, Jin Renqing pointed out: The implementation of GATT's Uruguay Round agreement still needs to be solved. He hoped that all concerned parties, especially the developed countries, would keep their promises and make due contributions to promoting the developing countries' economic development as well as promoting international trade and world economy.

Jin Renqing emphatically pointed out that the international community should closely watch the continuous fall of prices of primary products, which account for the major part of the developing countries' income. This situation will not only cause the unreasonable shift of the deserved income of poor countries to rich ones but also will adversely affect some developing countries' efforts to adjust their economic development policies.

#### Bank of China Official Says Inflation Under Control

HK3004065694 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 30 Apr 94 p 3

[By Patricia Lee]

[Text] The inflation problem in China is now under the central government's control, according to an official from the Bank Of China in Hong Kong. The Bank of China's Hong Kong Macao Office assistant officer, Zheng Polin, said the government's attempts to curb the overheating economy had gradually been effective. The over-supply of currency was under control and the amount of bank deposits had gradually risen in the wake of the economic reforms adopted during the second half of 1993.

Mr Zheng said yesterday that the series of reforms in China also enhanced the prosperity and stability of Hong Kong and provided ample opportunities for the territory's economic development. The banking sector in Hong Kong had been further developed with the opening by 13 local banks of 60 branches or offices in China since 1985, he said. In turn, the China-based commercial banks had established offices in the territory.

Both the financial and securities markets in Hong Kong would grow bigger, because they could act as centres for the large amount of fund raising required for the restructuring of China state-owned enterprises and many construction projects. Mr Zheng stressed that Shanghai could not usurp Hong Kong's position as the prime financial centre, in view of the time needed to develop it and the different characteristics of both cities. Neither did Singapore have the ability to surpass Hong Kong as, in comparison to Hong Kong, it was geographically far from China.

China Merchants vice-general manager Lin Jiang said high inflation would cause pressure on the stability of the yuan exchange rate. The exchange rate was being stabilised after the currency's unification, which also implied that the timing and other mechanisms for the reforms



were correct. He expected that the exchange rate of the yuan would be maintained in the near future as the policies of the Peoples' Bank of China would be effective in relieving the pressure on the demand for foreign currency in China. However, the stability of the yuan in the medium to long-term depended on fundamental economic factors such as inflation and interest rates.

Mr Lin said it was unlikely that the business market for foreign banks would open within the next year or two because state banks were not competitive enough in terms of operations, management and staff skills. The government would tend to protect the state banks until they were mature enough to compete on an equal basis, he said.

#### State Statistical Bureau Official on Controlling Inflation

OW2904130494 Beijing XINHUA Domestic Service in Chinese 0900 GMT 27 Apr 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 27 Apr (XINHUA)—In an interview with this reporter today, State Statistical Bureau spokesman Ye Zhen said that the momentum of continuous commodity price increases was effectively restrained and that the prices of consumer goods, capital goods, and services in the nation's urban and rural areas declined noticeably in March.

Ye Zhen said: According to statistics, compared with February, when commodity prices rose dramatically, consumer prices in the nation's urban and rural areas declined by 1.5 and 0.1 percentage points, respectively; the prices of services declined by 0.3 percentage points, and the prices of capital goods declined by 5.1 percentage point in March, thus demonstrating that the momentum of commodity price increases has been alleviated. The preliminary results achieved in controlling commodity prices can be attributed primarily to the greater efforts exerted by the central government and local governments at all levels. As a result of the actions taken by local governments at various levels as well as the efforts made by the State Council in intensifying the control over investments in fixed assets as well as consumption needs, in promoting agricultural production, specially the "food basket" project; in supervising the prices of people's living necessities and services, and in conducting nationwide price inspection, preliminary results in controlling price increases were achieved within a short time.

In analyzing the causes of the sharp commodity price increases early this year, Ye Zhen said that they were primarily caused by irrational phenomena—such as the mentality of jumping on the bandwagon as well as unscrupulousness in raising prices—following the introduction of the new tax system. Market prices rose quite rapidly especially after price controls for most commodities were removed and before mechanisms for effective macroeconomic regulation and control were established

or improved. This phenomenon to which the masses responded strongly was particularly noticeable in the prices of basic necessities, such as food, clothing, services, and other items closely related to people's daily life.

Although macroeconomic regulation and control over commodity prices have produced results, Ye Zhen stressed: Compared to the same period in 1992, the nation's retail prices during the first quarter still increased 20.1 percent. The extent of this increase is still way above the target set by the state. All quarters must therefore continue to exercise strict control over commodity prices and should not lower their guard in the least.

#### State Planning Commission Adopts 151 Key National Projects

OW2904120694 Beijing XINHUA in English 1028 GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—The State Planning Commission has authorized the construction of 151 key national projects for 1994.

In a circular on the major national projects, the State Planning Commission urged all the ministries and local governments to support the major national projects.

It also asked state policy-based banks and commercial banks as well as ministries and local governments to help finance the projects and provide the necessary materials.

The projects include 22 coal mining projects, six petroleum development projects, 39 thermal and hydroelectric power stations, three water conservancy projects, 17 railway projects, 15 highway and harbour projects, four cable line projects, one airport project, five iron mines and iron and steel works, six non-ferrous metal mines and smelters, one gold mine, eight chemical mines and plants, two petro-chemical plants, three cement plants, two auto workshops, two textiles and light industrial projects, one forestry project, one education project, three public health projects, two radio stations, and an environmental protection center.

#### State To Adopt Five Measures To Help State Firms

HK0105060194 Beijing ZHONGGUO XINWEN SHE in English 0502 GMT 30 Apr 94

[Text] Beijing, April 30 (CNS)—China is poised to adopt five measures this year to alleviate the burden on enterprises in a bid to create the conditions for state-owned enterprises to be involved in fair market competition. The measures are listed as follows.

First, the taxation rate will be unified in order to reinforce the ability to service debts and allow state-owned enterprises to obtain capital. Starting January 1, 1994, revenue tax on enterprises making use of domestic

capital was set at 33 percent while the budgetary regulated tax imposed on state-owned medium- and large-sized enterprises as well as the energy and transport fund together with the budgetary regulated fund levied on state-owned enterprises have been cancelled. According to industrial policy, state-owned solely-funded enterprises which needed strong support could retain their after-tax profits. Cost accounting for enterprises is standardized and interest resulting from loans is included into the cost. Enterprises could make use of the above-mentioned practices to strengthen their servicing ability.

Second, the debt burden shouldered by state-owned enterprises should be settled reasonably. Enterprises locked in difficulties in repaying loans for fixed-assets investment are allowed to defer the debt repayment after examination and approval by the creditor bank. Enterprises long suffering from bad debts are allowed to have part of their funds reserved for bad debts to be settled by a creditor bank.

Third, non-production-oriented business will gradually be separated from enterprises. Schools which have long been run by enterprises for the children of workers and service business for workers have to be separated from the enterprises as much as possible. Those schools and service businesses can instead be supported by the government or by private groups.

Fourth, redundancy of workers seen in some old enterprises has to be solved. Workers made redundant can be settled in tertiary industry and in economic entities newly created for service. Policy has to be formulated to encourage some workers to turn to township enterprises, three type foreign-funded enterprises and privately-owned enterprises while at the same time workers are allowed to seek jobs for themselves.

Fifth, enterprises which have long run in the red are subject to bankruptcy, merger, reorganization or transformed into joint ventures as a radical solution to the burden on enterprises.

#### **State To Direct Foreign Investment To Support Policy**

*HK0105070494 Beijing ZHONGGUO XINWEN SHE in English 0354 GMT 30 Apr 94*

[Text] Beijing, April 30 (CNS)—China will, in line with its industrial policies, direct foreign investment into those sectors where it is most needed, including infrastructure, basic industries, technological renovation of enterprises and technology-intensive industries. Such investment will also be led at a suitable scale into financial industry, commerce, tourism and real estate.

Foreign investment will be given priority in the following sectors:

- Items for agricultural comprehensive development and new technology for agriculture such as reclamation of wasteland, waste hills and barren slopes, transformation of low-yield farmland, development of fine-quality and high-yield varieties of crops, introduction of fine tree seeds, breeding of fine animals and development of fine animal feed, chemical fertilizer and pesticide.
- Items for infrastructure and basic industries including energy (coal, electric power and petroleum), transport (railways, highways and ports), key raw and finished materials (steel, non-ferrous metals, chemicals and construction materials).
- Items of machinery, electronics, petroleum and chemical industry, car-manufacturing, construction.
- Items for introduction of advanced technology and enterprise transformation including those for raising the performances of products, for the saving of energy and raw materials, for raising the economic efficiency of enterprises, for filling the gaps in science and technology in the country, for raising the quality and added value of products for export and for comprehensive use of resources as well as for re-generation of resources.

#### **Construction Minister Urges Standardization of Real Estate**

*HK0105070994 Beijing ZHONGGUO XINWEN SHE in English 0503 GMT 30 Apr 94*

[Text] Beijing, April 30 (CNS)—The real estate market has to be standardized this year, according to the Minister of Construction Mr. Hou Jie. Work has to be done in several sectors to achieve this end.

- The primary market where the transfer of land is possible has to be put under proper administration. The amount of land supply, location and purpose have to strictly observe the planning. The purpose and nature concerning the use of land have to be clearly defined. The practice of administrative allocation of land has to be reduced to the minimum while the transfer of land with payment has to be employed.
- The transfer and management of land has to be strengthened. Before enforcement of the "Real estate law" the ministry will make known as soon as possible regulations on land transfer, sales of commodity housing and the transacting of real estate. They cover rules and procedures for real estate trading as well as punishment for violation of the regulations.
- The taxation system for real estate has to be improved with the interests of and rights enjoyed by the parties concerned taken into consideration.
- The market function has to be strengthened and intermediary service has to be exploited to cover information, consultation, assessment and the role of agent. Professional workers in these sectors have to be

trained. Requirements will have to be set for entry into this profession. The state will soon promulgate regulations on the evaluation and registration of real estate.

—A price system for real estate has to be set up and principles for prices for commodity housing, welfare housing and standard housing have to be confirmed. Land price and corresponding taxation policy have also to be formulated.

—Administration of foreign investment in real estate has to be strengthened. Foreign capital is allowed to be involved in general residential housing, a great potential market featuring a relatively short period for the input of investment. International practice has to be employed in the administration of foreign investment in real estate.

—The government must not apply excessive intervention in the real estate sector. Land prices have been decided not by the market but by the government in the past and the blind establishment of development zones is attributed to such practice. Administrative functions and standardization by the government has to be properly handled.

—The "Real estate law" has to be made public and brought into force as soon as possible. Loss of control of real estate last year was mainly due to the weak legal system. The law drafted by the ministry has been submitted to the State Council for appraisal and approval and it is expected that the law will come into force shortly.

#### Official Announces State Treasury Bond Sales Figures

HK3004074294 Beijing CHINA DAILY in English 30 Apr 94 p 1

[By Sun Shangwu: "\$4.8b State Treasury Bonds Sold"]

[Text] More than 41.6 billion yuan (\$4.8 billion) of this year's State treasury bonds were sold across China by Wednesday [27 April], a leading State Council official said yesterday.

The figure accounted for 47 percent of the sales target of 87 billion yuan (\$10 billion) set for the year. The bonds went on sale this month.

Nevertheless, State Council Secretary General Luo Gan urged financial officials to push the sales drive harder to meet this year's target well ahead of schedule.

Luo Gan, who is also a State Councillor, stated in a tele-conference that fulfilling this year's target is of vital importance to the country's economic development.

"The issuing plan of treasury bonds must be completed on schedule in order to maintain the sustained, rapid and sound growth of the national economy," Luo said.

It is also important for maintaining political stability and promoting social progress, the conferees were told.

Each province and city must appoint a high-level official to guide the bond issues.

Luo urged different local governmental departments to continue promoting bond sales and local banks to help bond buyers.

Luo's comments were echoed by Vice-Finance Minister Xiang Huaicheng and Vice-President of People's Bank of China Dai Xianglong.

Chinese people have shown great interest in buying bonds because of their high interest rates.

#### Official Report Finds Labor Disputes Increase 50 Percent

HK3004074894 Beijing CHINA DAILY in English 30 Apr 94 p 3

[By Cao Min: "Labour Disputes Increase 50 Percent"]

[Text] Labour disputes have sharply risen in the past few years, flooding arbitration committees nationwide with more than 12,000 cases in 1993 alone.

Last year, arbitration committees accepted and heard 12,358 labour disputes, up 51.6 percent from 1992, according to a Labour Ministry and State Statistics Bureau report released this week.

More than 92 percent of the cases were settled by the end of the year.

About 2,800 arbitration committees have been set up at various levels since 1986, the ministry said.

Meanwhile, half of the provinces, municipalities and autonomous regions in the country have established labour supervisory institutions.

The labour unrest is the result of poor management in the enterprises, especially overseas-funded and private firms, imperfect laws and lack of labour markets, the ministry said.

Another reason for the increase in disputes is labour controversy has finally come out in the open.

Disputes in non-government firms rose more sharply than State-owned ones.

In the past years, Guangdong Province has handled 7,892 labour disputes among which 1,421 happened at non-State companies.

The employers often hired workers without signing a contract so they could be fired at will.

Some managers defaulted or embezzled workers' wages and even subjected the workers to indignities.



China Business Times reported that about 300 workers at a company in Huizhou, Guangdong, held a two-day strike because their Hong Kong boss had fallen far behind in payments.

Before the Spring Festival in early February, the company paid each worker 100 yuan (\$11.5) because it was afraid they would not return.

However, the workers didn't get January and February wages on March 15.

The city's labour supervisory department recently imposed a fine on the boss and instructed the company to pay the two months' wages immediately.

Strikes have also happened in the foreign-funded enterprises in other cities.

But some labour disputes were initiated when workers broke their contracts, the report said.

To protect legal rights of both the enterprises and the workers, the ministry is making efforts to research the arbitration system and set up a nationwide network.

#### **Official Outlines Consolidation of Auto Industry**

HK0205042294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1-7 May 94 p 1

[By Chang Weimin: "State Is To Consolidate Carmaking Industry"]

[Text] China expects to consolidate its more than 120 automotive plants into three or four giants that would enable the car industry to make 5 million vehicles annually.

The giants, each to annually make at least 1 million low-priced quality cars with clean-burning engines, are to be competitive internationally.

In an interview with BUSINESS WEEKLY, a senior official from the Ministry of Machinery Industry elaborated on the industry's long-range programme.

This goal of consolidation is the core of the new policies that are to govern the country's auto industry for the next seven years, the official said. The policies are to be announced before long.

By the year 2000, six to seven conglomerates are expected to be formed from the 13 existing auto groups. Each is expected to make 300,000 sedans a year.

In the early decades of the next century, the conglomerates are to be further reshuffled into three or four larger ones.

The official, who declined to be identified, said that the reorganization will take place in competitive conditions

under a market economy, but that macroeconomic planning by the central government will be beefed up to ensure the industry develops in the direction set by the new policies.

The industry, expected to grow into an economic pillar, will not repeat development formulas used in some Western nations where auto giants achieved dominance after nearly 100 years of intense competition among hundreds of carmakers.

He said the 13 existing auto groups, whose size makes them ripe for further development, will be supported by the central government.

He cited eight major carmakers in particular: the Changchun-based First Automotive Works; the Shiyang-based Dongfeng Group; the Nanjing Automotive Industry Corp; the China National Heavy-duty Truck Corp; and manufacturers in Beijing, Tianjin, Shanghai and Shenyang.

The auto groups will be granted preference in financing, taxation and the issuing of securities.

For the next two or three years, no new assembly projects will be allowed, but the official did not rule out the possibility that foreign investment in assembling cars will be permitted in later years.

"We advocate different policies in different phases," he said.

Moderate protection of the domestic market from assaults by floods of Western imports is necessary. Periods of protection by way of tariffs, import quotas and licenses and other means will be different for different vehicles, he said.

The protection of the market for trucks needs to span three to five years but for sedans, 10 years, he said.

Such protection, which is used by nearly every nation, is needed by China's fledgling auto industry, especially sedan manufacturers, who turned out 240,000 cars last year. However, he said the protection will be weakened gradually as the industry grows stronger.

"So large a market as China's will be vulnerable to free imports of cars," he said.

The government will pay great attention to improving vehicle safety, reducing auto pollution and raising fuel efficiency, the official said.

However, he said the country will probably lag behind Western nations, where extremely stiff standards are to take effect around 1996.

To reduce vehicle emissions and develop fuel-saving engines, China will beef up investment and draw up new laws and regulations.

China has participated in international activities related to vehicle emissions and fuel consumption and expects co-operation with foreigners will continue.

It expects to become integrated into the global auto market with a relatively independent, competitive industry in the early decades of the next century, the official said.

### Major Trade Fair Comes to 'Record Close' in Guangzhou

HK0205075194 Beijing CHINA DAILY in English 2  
May 94 p 1

[By staff reporter Li Wen: "Trade Fair Closes With 12 Percent Surge in Exports"]

[Text] Guangzhou—The 75th Chinese Commodities Trade Fair came to a record close on Saturday as total export contracts topped last autumn's exhibition by \$1 billion, a 12 percent jump.

Spokesman Zhao Hua said trading was brisk during the 15-day event.

"Daily trade volume topped \$800 million during the peak days," he said.

Hong Kong and Macao remained the fair's top partners, signing one-third of the contracts. The European Union, the United States and Southeast Asia followed with 16.8, 9.9 and 7.9 percent of the respective trade share.

Vice-Premier Li Lanqing, in his fair tour on Friday, urged trade companies to invigorate China's drive for exports, according to a Xinhua report. He was accompanied by Foreign Trade Minister Wu Yi and Zhu Senlin, governor of Guangdong Province.

In his speech to provincial trade officials, Li said competition is a main reason for the fair's record transactions.

He affirmed competitive bidding for export quotas is an effective solution to vicious and unfair competition between Chinese export companies. He said such a practice should be applied to more than the present 13 commodities.

Li fully agrees with the plan to display similar commodities at one place.

At the fair, contracted exports to the Middle East, Southeast Asia and Latin America all increased, Zhao said.

Seventeen Chinese trade delegations each signed contracts valued at more than \$200 million.

"The increase in trade deals at the fair is attributable to the recovering world economy and China's new financial and foreign trade reforms implemented this year," Zhao said.

Meanwhile, he stressed that bogus goods were not tolerated at the fair, as 20 companies were punished for using fake trade marks on their products.

Organizers publicized those companies' names, confiscated their fake trade marks and drove some of them out of the fair.

"Further investigation and punishment is pending and organizers are discussing whether or not to allow them to attend the coming fair," said Zhao.

The infringed trade marks were found in 20 firms, including Shenzhen Kaichen, Guangxi Machinery Import and Export, Xingjiang Zhongxin, Shenzhen Foreign Trade Group and Changfa Company, China Aerospace Technological Import and Export Fujian Branch, Anhui Chemical Products Import and Export, Shantou International Trading Overseas and trade companies from Shanxi, Hubei and Hunan provinces.

Vice-Premier Li urged local trade officials to take advantage of new trade policies, like the single exchange rate, to boost their exports.

Li admitted the policies need improvement but urged trade authorities to take any necessary steps to prevent future problems from arising.

Li said foreign importers may unreasonably depress the prices of Chinese products, while Chinese exporters may also unreasonably raise their prices, resulting in soaring prices for foreign currencies.

Establishing a modern enterprise system and multinational operations should be the direction for remolding foreign trade enterprises, he added.

The semi-annual, trade event was expected to help fulfill this year's planned export target of \$100 billion.

Zhao said new mechanical and electrical products were in high demand. More than 60 per cent of the goods displayed by the Guangzhou trade delegation were new.

The quota bidding system for 13 domestic products has helped stabilize or raise export prices, he explained. The price of garlic rose 20 per cent from last year.

More than 50,000 foreign businessmen visited the fair, 4,000 more than last fall.

The number of Southeast Asian guests increased. And the more than 4,000 American visitors matched the Taiwanese total.

Japan's sluggish economy lead to fewer Japanese visitors fair organizers said.

### Economists Forecast Inflation Rate of 14.5 Percent in '94

HK3004020294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0921 GMT 29 Apr 94

[Text] Beijing, 29 Apr (ZHONGGUO TONGXUN SHE)—According to a "spring forecast" by economic experts at the Chinese Academy of Social Sciences and the State Statistical Bureau on China's economic development trend in 1994, this year, China's commodity retail sales price index will increase by 13.2 percent and the citizens' cost of living index will rise by 14.5 percent, the rate of increase being similar to or a little higher than last year. The price index of investment goods [tou zi pin 2121 6327 0756] will rise by approximately 15 percent, lower than last year.

This "spring forecast" points out that China's commodity price level has kept rising since the fourth quarter of 1992. The situation is even more serious in 1994. In the first quarter of this year, the country's retail sales price index rose by 21 percent over the same period of last year. Now, the central authorities have taken various measures to control these excessive price increases. In March, price increases began to slow down.

The "spring forecast" indicates that if excessive price increases are not stopped quickly, this will endanger reform, affect development, and also cause instability in society; therefore commodity prices should not be treated lightly.

Since the introduction of reform and opening up in 1979, until 1993, China's average annual economic growth rate was 9.3 percent, and the average annual rate of price increases was 6.4 percent. This situation was comparatively ideal, the "spring forecast" adds. But inflation and economic growth reached a critical level in 1993, and the inflation rate has tended to exceed the economic growth rate in 1994. Therefore, the first task in macrocontrol and regulation is to maintain a rational balance between economic growth and inflation and to strive to bring about healthy development during which the national economy will grow fast and inflation will be controlled at a low level.

### Beijing Accelerates Construction of Optical Cable

OW2904164994 Beijing XINHUA in English 1256 GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—To relax the strained telecommunications situation and make it easier for people to get information, China is quickening steps in constructing a 34,000-km first-class optical cable telecommunications network connecting all of the country's provincial capitals.

China has set an ambitious target for telecommunications construction in its eighth Five-Year Plan (1991-1995), that is, building 22 national-level trunk lines of optical cable within five years, to connect all the provincial capitals.

Assessed from present achievements, China is moving smoothly towards this goal.

So far 11 of the 22 optical cables have been opened, of which eight cables were opened in 1993. This year the construction or remolding of 15 optical cables is being successfully carried out.

Experts said that, compared with traditional telecommunications means such as electrical conduits and microwave relays, optical fibers made from quartz glass have far more advantages. For example, a pair of optical cables with the thickness of a hair can provide thousands of digital telephone lines simultaneously.

China began to study optical fibers and related equipment in the early 1970s. In the 1980s China built the first two optical cables, the Wuhan-Nanjing and Lanzhou-Xining lines.

China's construction of optical cable has witnessed surprising development since 1990. In the past few years China opened the trunk lines of Shanghai-Nanjing, Shanghai-Fuzhou, Fuzhou-Guangzhou, Beijing-Jinan-Nanjing, Beijing-Wuhan-Guangzhou, Guangzhou-Haikou, Guangzhou-Nanjing, Zhengzhou-Xian, Xian-Chengdu and Chengdu-Kunming, and the submarine optical cable connecting China and Japan was also opened last year.

Presently China is intensifying the construction of a number of optical cables including the first-class trunk lines of Beijing-Shenyang-Harbin, Nanjing-Kunming, Xuzhou-Zhengzhou and Xian-Lanzhou.

To ensure successful construction of telecommunications projects, the Ministry of Posts and Telecommunications has decided to put 53.6 billion yuan into fixed assets this year, compared with a 40 billion yuan investment last year.

China's optical cable construction speed is said to be the fastest in the world—most of the cables have been finished in about one year from laying the cable to installing equipment.

The 2,800-km optical cable along the south China coast runs through five provinces and cities and was constructed and opened in only one year.

Another example is the 4,700-km Beijing-Shenyang-Harbin optical cable, whose construction was started last October. To date, the laying of cable has basically been finished. The total construction term for this line is predicted to be only eight months.

Construction of optical cable has greatly promoted the development of China's posts and telecommunications. Statistics show that in 1993 alone long-distance automatic exchanges increased by 548,000 lines, bringing the total capacity to 1.06 million lines, while newly-increased long-distance telecommunications lines reached 200,000, bringing the total capacity to 420,000 lines.



### Construction of Major National Project Proceeding Smoothly

OW3004032494 Beijing XINHUA in English 0227 GMT 30 Apr 94

[Text] Huhhot, April 30 (XINHUA)—Construction of the Inner Mongolian chemical fertilizer plant, a major national project for the Eighth State Five-Year Plan (1991-95), has been proceeding smoothly.

So far, construction of the living quarters, auxiliary public facilities and production workshops has been completed. In addition, the main production installations, including the urea grain formation tower and the high-pressure boiler, are under construction.

The construction of the plant began on December 20, 1991, and is expected to be completed at the end of 1995. With the total investment reaching 2.4 billion yuan (277 million U.S. dollars), the plant is designed to produce annually 300,000 tons of synthetic ammonia and 520,000 tons of urea. The plant is expected to start trial production in 1996.

### Service Sector Opened to Foreign, Domestic Investors

HK0205042194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 1-7 May 94 p 1

[By Xiao Wu: "Service Trades Are Opening Up"]

[Text] China is opening up some service sectors that were off-limits to foreign and domestic investors and is simplifying its procedures for approving new businesses.

The State Administration for Industry & Commerce said that it would give a "green light" for foreign investors to join in the development of China's service industry.

"Foreign investors will be allowed to start handling previously restricted businesses such as real estate development, large-sized retail centres, transport and communications, finance and tourism," said an official with the administration.

The government's procedures for approving foreign-invested firms in these businesses will also be simplified this year, he added.

The administration will give its approval if cash-sufficient financial companies want to set up non-financial firms or invest in other businesses.

Existing service businesses and trust and investment firms, which have raised more than 100 million yuan (\$11.5 million) in capital, will be encouraged to expand into other commercial fields. With the administration's approval, these firms can establish subsidiaries in engineering, construction and real estate.

Since the country vows to fortify its service industry, the administration officials said, foreign and domestic suppliers of materials and marketing firms are now allowed to engage in more businesses.

They can be involved in wholesale and retail business and act as commercial agents in buying and selling goods for others, according to administration officials.

The administration will also lend support to technicians and scientists who have quit their jobs and want to set up firms of their own.

It will streamline its procedures for granting these technicians and scientists permission to start consulting and service businesses related to information technology.

The government, meanwhile, will extend similar treatment to encourage officials in its own administrative organs to enter business. These staff officials were essential under the previous organization, but with the government streamlining its structure the need for them is diminished.

So now they can apply to run businesses on their own. But they must first resign from their government departments before jumping into the "sea of commerce."

The State Administration for Industry and Commerce is also backing change in the countryside. With its blessing, the government's agricultural service centres are now free to explore lucrative businesses on their own.

With the administration's approval rural technique popularization centres and household livestock veterinary stations can transform themselves into profit-seeking companies with farm and sideline processing factories and information consulting and service businesses.

According to the State Statistics Bureau, the government's firm support has helped channel more foreign-invested companies and individual firms into Chinese industries.

The bureau's figures show that China approved 100,000 foreign-funded projects last year, representing foreign direct investment in excess of \$33 billion.

By the end of last year, the country had nearly 17.7 million individual business households, up 16.2 percent from a year earlier. It also had 238,000 privately owned firms, up 70.4 per cent.

### 'Convention' Drawn Up To Protect Audio, Video Copyrights

OW0105091294 Beijing XINHUA Domestic Service in Chinese 0946 GMT 30 Apr 94

[Excerpts] Beijing, 30 Apr (XINHUA)—Facing the situation in which the audio and video publications market is in disorder and illegal copying and pirating continues despite repeated bannings, the more than 60 members of the China Audio and Video Publications Exchange Association, who produce audio and video publications,

recently joined forces in drawing up the "Convention on Protecting the Copyright of Audio and Video Publications" to protect audio and video publications producers' legitimate rights and interests and to crack down on the very rampant illegal copying and pirating of audio and video publications.

The "Convention" stipulates: All convention signatories pledge to exemplarily comply with all relevant state regulations on protecting copyrights and will boycott all activities that infringe on the rights and interests of audio and video publications producers. All signatories are naturally agents for protecting copyrights and give full authorization to other signatories in investigating pirating, illegally copying, counterfeiting identification marks, selling counterfeit publications, and other activities infringing on signatories' rights that take place in their locale. The convention is the first of its kind of China's audio and video publications industry. [passage omitted]

It has been learned that the China Audio and Video Publications Exchange Association is China's first mass organization dealing with the audio and video business. The organization primarily devotes its efforts to protecting copyrights of audio and video publications and to conducting exchanges between the audio and video industry and the film and television industry, as well as exchanges with units outside the country, to bring about common improvements, to improve the quality of China's audio and video publications, and to purify the country's audio and video publications market.

#### **Government Establishes Department To Ensure Fair Trade**

HK3004074094 Beijing CHINA DAILY in English 30 Apr 94 p 1

[Report by Ma Zhiping: "Office Set To Ensure Just Deals"]

[Text] A special department has been established by the government to thwart the emergence of unfair competition on the domestic market and prevent unauthorized monopoly of trade.

The new office—the Department of Fair Trading under the State Administration for Industry and Commerce—is responsible for ensuring fair competition and banning illegal monopolies in the business sector, according to sources with the state administration.

The department is also responsible for drafting rules concerning fair trade and dealing with unethical trade cases.

Other obligations of the new State organ include investigating and dealing with cases of illegal speculation, protecting consumers rights and handling serious consumer-related cases.

It will also oversee the implementation of business contracts, while helping guide the resolution of economic disputes in China's arbitration courts.

To eliminate unfair trading practices and illegal monopolies, China last year instituted a law governing unfair competition. Another law to protect intellectual property rights has been passed.

The government is further considering the introduction of a new law banning illegal trade monopolies. It would supplement the law governing unfair competition in a bid to ensure fair trade, administration officials said.

The new law is expected to ban regional restrictive business practices and unfair restraint of trade by public utilities, such as cooking gas and electrical supply companies.

Unfair trade practices such as illegal lotteries to promote sales and kickbacks in awarding business contracts are still common in China. Cases that have been discovered have been dealt with by the law, according to local reports.

A Hainan Province company was recently fined 10,000 yuan (\$1,150) for setting a top prize of 30,000 yuan (\$3,448) in a promotion activity. The prize was much higher than the law's ceiling of 5,000 yuan (\$575) for such awards.

#### **Materials Distribution, Supply System Suffers 'Huge' Losses**

HK0105065994 Beijing ZHONGGUO XINWEN SHE in English 1318 GMT 29 Apr 94

[Text] Beijing, April 29 (CNS)—Purchase and sales in the materials distribution and supply system suffered a sharp setback in the first quarter this year with huge losses of over RMB [Renminbi] 1 billion, the Vice Minister of Internal Trade Mr. Ma Yimin disclosed at a meeting attended by managers of electro-mechanical companies across the country. Information released by the Ministry indicated that the purchase value was put at RMB 68.62 billion while the sales value registered RMB 80.1 billion during the first quarter of this year. There were 9,000 enterprises under the system suffering a loss, making up 52 percent of the total. The sales of major kinds of materials showed a comprehensive drop with cotton down by 51 percent, steel material by 41 percent, aluminium-steel by 60 percent and cars by 33 percent.

The loss, according to Mr. Ma, was mainly attributed to investment in key construction items not in place while some production enterprises suffered from a shortage of circulation capital which in turn caused a slump in market demand. Second, enterprises were not familiar with the new taxation system and negative impacts were caused. Third, an increase in interest represented a drop



of profits. Fourth, measures adopted were not so effective because of insufficient understanding of the macro-economic situation. The vice minister asked personnel within the system for great efforts to reverse the loss.

#### Statistics Show 570 Cities in Country

HK0105070294 Beijing ZHONGGUO XINWEN SHE  
in English 0209 GMT 30 Apr 94

[Text] Beijing, April 30 (CNS)—According to a statistical bulletin on urban construction in 1993 by the Ministry of Construction, by the end of last year, China had 570 cities, 53 more than in the previous year, the total urban population reached 338.726 million, 165.595 million of them were non-agricultural residents, the total area of cities was put at 1.027812 million square kilometres and the urban area 16,472.9 square kilometres and the population density per square kilometre was 329 people.

The report also shows that the urban residential conditions further improved with the total floor area of newly constructed buildings last year reaching 281.59 million square metres, 29.1 percent up over the year before, 16.562 million square metres of which was residential blocks, 28.3 percent up, making a grand total area of such housing in the urban area by the end of last year 1.2966 billion square metres. The urban residents were 173.44 million by the end of last year and their per capita living space was 7.5 square metres, more than 10 percent up.

With the speeding up of commodity residential housing, last year saw active trading in housing property with the total area under transaction being put at 32.92 million square metres and the trading value RMB [Renminbi] 36.4 billion, respective increases of 51.5 percent and 96.6 percent over the year before. The total housing area under lease was 1.11449 billion square metres and the income earned from rents was RMB 2.8 billion, 1.46 times and 15.7 percent up respectively.

#### Report Details Workers' National Economic Output

OW3004142694 Beijing XINHUA in English 1349  
GMT 30 Apr 94

[Text] Beijing, April 30 (XINHUA)—China's 605 million-strong workers produced 3,138 billion yuan in gross national product and 511.48 billion yuan worth of financial revenue last year, according to the state statistics bureau.

Chinese workers in 1993 consisted of 150.4 million factory workers, 11.16 million self-employed businessmen and workers in private-run enterprises and 444.34 million rural laborers.

Falling under various occupational categories, 347.92 million Chinese workers worked in primary industries, 135.5 million in secondary industries, and 122.48 million in tertiary industries.

Rural laborers produced 456.4 billion kg of grain and 17.61 million tons of edible oil. Those who worked in township enterprises yielded a total of 2,902.2 billion yuan in output value.

In addition, laborers in heavy industry, agriculture and other industries produced an import and export volume of more than 190 billion U.S. dollars last year.

In the first quarter of this year, Chinese workers produced more than 2.3 billion kwh of electricity, 2.75 million tons of raw coal, 43 million meters of cloth, 42,000 color television sets, nearly 30,000 washing machines and 52,000 cameras, all on average per day.

#### Laborers' Hotline Popular With Disgruntled Workers

HK3004062894 Hong Kong SOUTH CHINA  
MORNING POST in English 30 Apr 94 p 7

[By John Kohut in Beijing]

[Text] The caller is fed up. She has been working seven days a week at a Beijing printing plant for several weeks. Her boss won't give her a day off. She's exhausted, but doesn't complain for fear of being fired. A worker at a foreign-funded factory in the northeastern port city of Dalian has a different problem: He wants to know how to stage a strike to demand a wage rise so his pay package keeps up with sky-rocketing inflation. Another young caller is so depressed with his "meaningless" job that he wants to commit suicide.

Such are the problems that workers across China pour out on perhaps the most sensitive of Beijing's help lines, the worker hotline. Operating five nights a week since March 1, the hotline is run by 22 young scholars in a spartan office at the Chinese Workers' Movement Institute. The Labourers' Emotional Consulting Hotline is hardly a solution to the difficulties workers face in the wrenching transformation from a Marxist to market economy, but it gives them an outlet to voice concerns and get some advice.

"The system for Chinese workers is changing now," said Deng Weiyun, 31, a university lecturer and hotline chairman. "In the past the problems weren't so serious, and the traditional way of dealing with them was to go to the leader. Once you had a job, you rarely lost it. Now... all at once, for no reason, a worker may be out of a job. So we hope to give them some help to get accustomed to the changes."

The hotline has had more than 200 calls since it opened, more than 80 percent of them from people at state-run enterprises. That percentage is not surprising, given that nearly half of the state enterprises are operating in the red and that they face the prospect of cost-cutting and streamlining reforms which would inevitably hurt some workers.



Callers complain their wages are too low, their jobs are boring, or they are unemployed. Others worry about the financial health of their enterprise, and are distraught because they feel their jobs offer no future.

The advice they get does not challenge any of the precepts of the Government. Staff might suggest the caller approach his or her labour union, seek the help of a worker arbitration committee, find a new job, learn a new skill. Sometimes they suggest how to find a new job. Such advice may seem obvious, but not necessarily in China, where workers have been accustomed to the cradle-to-grave employment system.

But the hotline would never encourage strike action, or anything else which might rankle the authorities. Mr Deng said his staff encouraged workers to act within the laws of the state.

**Self-Regulation of Futures Industry Called For**  
*HK0205075494 Beijing CHINA DAILY in English 2*  
*May 94 p 4*

[By William D. Grossman, director of the Hong Kong Office of Quantum Financial Services, Inc.: "Futures Industry Needs Self-Regulation"]

[Text] During the past two years, the futures industry in China has grown faster than even the most ardent optimists could have anticipated. Exchanges have sprung up in major commercial centres, and brokerage firms, trading on both domestic and international markets, have multiplied.

Along with this progress, however, has come concern. Most notably, business has expanded far more quickly than regulation, leaving a gap that has attracted the unwary and the unscrupulous.

In response, the central government is adopting comprehensive regulations governing the futures industry.

This is perhaps the right time to set up a futures industry self-regulatory organization to enhance its enforcement capabilities.

The situation in China's futures industry is similar to that of the U.S. in the 1970's. At that time, this sector of the U.S. economy was loosely regulated by the Commodity Exchange Authority (CEA), an office within the Department of Agriculture. The CEA concentrated on domestic agricultural futures, while products such as coffee, sugar and metals were unregulated.

In addition, there was no formal, well-enforced registration process for persons handling customers' funds and orders. This provided a breeding ground for sharp operators who took advantage of unsuspecting customers. Not surprisingly, scandals began to emerge.

As a result, the U.S. Congress passed amendments to the Commodity Exchange Act in 1974, which, among other things, created the Commodity Futures Trading Commission (CFTC).

The CFTC was set up as an independent federal regulatory agency. It was given responsibility for registering industry professionals; approving rules, regulations, and new contracts of futures exchanges; establishing minimum financial standards and adopting trading standards for futures brokers; and creating a dispute procedure. Equally important, the CFTC was assigned the responsibility of enforcing the rules it adopted.

Initially, the CFTC had only 200 employees. Today it has about 700. But with such a small staff and limited resources, it was apparent that enforcement of the strict new provisions of the Commodity Exchange Act would be difficult.

So the CFTC adopted regulations requiring each exchange to set up its own rules, subject to CFTC approval, and to enforce these rules on all the exchange's members.

The CFTC had two reasons for requiring the exchanges to conduct self-regulation. First, it wanted to economize on its own resources which are funded by tax-payers' money. Second, by delegating auditing and enforcement responsibilities to the exchanges, the CFTC intended to take advantage of the fact that the exchanges would be in the best position to monitor the daily activities of their members and obtain relevant market information.

Exchange self-regulation was successful in promoting fair markets and building confidence on the part of both domestic and international customers.

However, there was a problem, not every futures broker was a member of a futures exchange. And because of the CFTC's limited resources, these brokers were able to avoid strict government scrutiny of their activities.

In response, the CFTC-approved National Futures Association was set up on October 1, 1982, to audit and monitor non-exchange members.

The industry endorsed the concept of self-regulation for three reasons.

First, it could promote high standards of professional conduct and financial responsibility.

Second, the industry believed that a private sector self-regulatory organization could operate with a high degree of efficiency and expertise.

Third, it was anticipated that a private sector self-regulatory organization could operate more economically than the CFTC. In this regard, the NFA's funding, which comes from customer transaction fees of \$0.20 per round turn for each futures contract and \$0.12 per side for each option contract, are generally accepted to be less

than the "user fees" the CFTC probably would have assessed to conduct similar activities.

In the past 12 years, the combination of self-regulation by the exchanges and the NFA has provided a very efficient and cost-effective supplement to government regulation.

At this critical period in the development of China's futures industry and futures regulatory system, it may be appropriate to consider setting up China's own futures industry self-regulatory organization.

### Military Factories Make Successful Switch

OW0205095094 Tokyo KYODO in English 0514 GMT  
2 May 94

[By Geoffrey Murray]

[Text] Chongqing, China, May 2 KYODO—In the late 1970s, the Jianshe manufacturing plant, one of the country's leading gun makers, faced financial collapse due to a sudden drop in military orders.

Driven largely by an instinct for survival, Chen Zisheng, now the factory director, recalls that he and his colleagues decided to gamble on making trucks and sewing machines for the civilian market.

"It was a last-ditch struggle," he explains.

What Chen had no way of knowing then was that he was paving the way for most of the nation's war industry to make the switch from armaments to consumer goods in the changed environment of global detente and the Chinese adoption of a market economy.

Jianshe, eventually, was lucky to establish a link with the Japanese motorcycle manufacturer Yamaha, which has been a lucrative partnership for both sides.

Yamaha continues to pour big investment into the venture to build new assembly lines turning Jianshe into the country's second biggest motorcycle producer, lagging only behind another Chongqing-based company, Jialing, which was hived off from the Norinco (China North Industries) arms manufacturing group and was able to form a technical cooperation agreement with Honda. Together they produce 1.3 million machines a year, more than a third of China's current output.

Jialing alone will be producing one million machines a year by 1997.

It is an amazing turnaround for China, given its long obsession with national security and perceived threats from all directions.

In order to prepare for national defense in the 1960s, when China seemed to face a threat from the Soviet Union and the United States (plus the U.S.-backed nationalist forces on Taiwan), the best talent, the most advanced technology and equipment, with unlimited funds was concentrating on establishing a complete

defense industry in the remote mountainous areas of inland provinces, notably Sichuan, Hunan, Yunnan and Guizhou.

Meticulous government planning used to guard military manufacturers from worries such as supply of materials, funds and market conditions. But as the threat of war eased, the central government decided to put an end to the wartime footing of the military in the 1970s, and in the early 1980s to trim one million soldiers from the bloated People's Liberation Army (PLA).

Orders for weapons and ammunition fell sharply, and, to survive, much of the defense industry was told to forget the guns and start thinking about producing something more mundane—like refrigerators and color television sets.

The government strategy for the conversion was to set up so-called "window enterprises" in the special economic zones and other experimental coastal economic development zones during the 1980s to introduce foreign technology and capital for the development of a limited range of 100 products. These window enterprises then became information centers and bridgeheads for the inland ordnance enterprises to develop an export-oriented economy.

The changeover seems to have worked. Over the past decade, the defense industry in southwest China has manufactured four million motorcycles, nearly 500,000 refrigerators, about 700,000 cameras, over 100,000 minibuses and 1,000 heavy trucks.

It is reported that 70 percent of China's defense plants are now turning out products for civilian use. The industry as a whole has a target of manufacturing civilian goods valued at 10 billion yuan in 1995.

Honda's partner, Norinco, one of the country's biggest military suppliers, has diversified so much that 70 percent of the output of its 300 units and subsidiaries is civilian goods. It has even brought the amusement arcade concept to war through the operation of a unique weapons range north of Beijing where paying customers can shoot everything from hand guns to antitank rockets.

Now it is looking for foreign joint venture parts for at least 200 projects in advanced machinery, motor vehicle assembly, optical, electrical and chemical products. An official of its development planning department acknowledged that Norinco was hindered by having many of its manufacturing plants located in remote interior regions, but this could be overcome by moving them to central or coastal areas.

The former mayor of Chongqing—wartime capital of nationalist leader Chiang Kai-shek—used to refer to defense industry as "a tiger sleeping in the remote mountains." City officials have now turned that round to describe the current transformation as involving a "tiger leaping down the mountains."

There have been no shortage of foreign takers given the loving care lavished in the past on companies in the military sector. At least 20 joint ventures have been created, primarily in vehicle manufacturing. And the Japanese connection in this military-to-civilian transformation is extremely strong.

Apart from those already mentioned, another success has been the Jiangling machinery plant, which switched from military hardware to the production of car engines with technological help from Suzuki Motors. It is now the city's number two engine maker, its main customer being the Changan machinery factory, which produces minicars with Honda.

The transition from swords to plowshares, however, has not always been smooth. Ni Runfeng, director of the Changhong machinery plant, a military radar producer, in Mianyang, a remote city in eastern Sichuan, recalled how he was caught in a vice between higher-ups demanding he convert to civilian production and military workers who refused assignments to new workshops set up to produce television sets.

But that is now a distant memory. After more than a decade of technical cooperation with Japan's National Panasonic Corp. (Matsushita) has laid a solid foundation for Changhong's upgrading.

Their self-designed color television production line introduced in 1989 as the first of its kind in the country is regarded as up to the quality of imported lines and now poses a serious challenge to Matsushita's own factories.

Having won a firm footing in Southeast Asia and Eastern Europe, Changhong set up a joint venture in Indonesia to produce 300,000 television sets annually. It has been turned into a stock company—Changhong Electric Appliances Co.—and with two new color television assembly lines added to the existing six, the company

ranked first in production and profits in the nation's electronics industry for four successive years (1989-92).

#### **Agriculture Ministry Notes Problems in Spring Cultivation**

*HK0105060294 Beijing ZHONGGUO XINWEN SHE in English 1319 GMT 29 Apr 94*

[Text] Beijing, April 29 (CNS)—Information on the general situation of agricultural production across the country released by the Ministry of Agriculture indicated that the harvest of summer crops would be promising but problems regarding land under spring cultivation should not be overlooked.

Surveys on the spring cultivation conducted by six investigative teams sent by the State Council to 13 provinces, autonomous regions and municipalities showed that the situation was generally good with a return to normal of the area for the growing of early paddy rice and a rise in area of land under the cultivation of cotton. The summer crops and summer oil-bearing seeds have taken a turn for the better. So long as there are no abnormal weather conditions and proper management is in place, a big harvest of summer crops is expected while production of summer oil crops is tending to increase.

Problems of the spring cultivation lie mainly in first, too great a rise in prices for production means for agriculture, especially quality chemical fertilizer. Second, some agricultural production means, particularly quality chemical fertilizer is in rather great demand and its supply is relatively in a tense state. Third, difficulties are being found in keeping steady a certain area under grain cultivation while it is proving difficult to achieve the expected area for production of cotton. The total area under cultivation of grain and cotton therefore continues to decline this year. Fourth, implementation of the loans policy set by the central authorities for economic development in some major counties where commodity grain and cotton are produced is proceeding at a slow pace.



## East Region

### Anhui To Adopt Measures To Develop Agriculture OW3004065294 Beijing XINHUA in English 0627 GMT 30 Apr 94

[Text] Hefei, April 30 (XINHUA)—Anhui Province, which took the lead in the national rural reform, will adopt a package of policies to consolidate and develop agriculture.

According to Governor Fu Xishou, one of them is to improve the contract responsibility system for land utilization. "This is the key to stabilizing rural policies," he said.

The provincial government has decided that after the 15-year contracts for land utilization expire this year, farmers may renew their contracts for 30 years more.

During the contract period farmers are entitled to lease or mortgage the land or become share-holders.

The period of contracting for barren mountains, land and water surface may extend up to 70 years.

Anhui is one of China's major agricultural provinces. Although some five million rural laborers left the fields for urban areas to seek employment last year, the province still reaped a grain harvest of 25.96 million tons, an increase of 10.8 percent over the previous year and becoming the only province in southern China to record a grain increase.

The past decade has seen this East China province not only become self-sufficient in grain but also sell more than two billion kg of grain a year to other parts of the country.

"The establishment of a grain reserve system and a grain risk foundation is another measure," the governor noted.

The provincial government plans to reserve 600 million kg of grain to ensure timely grain purchase from farmers and arouse their enthusiasm for farm production.

In addition, Anhui will increase its input into agriculture.

While continuously boosting its grain output, the provincial government is determined to pay attention to quality and efficiency in line with market needs.

It will concentrate on the production of quality rice, cotton, oil-bearing crops, tea, livestock and poultry, silk, fruit, vegetables, aquatic products, traditional Chinese herbal medicines and edible fungus this year.

According to the governor, the government will select 10 counties, 20 production bases and 50 administrative villages to try out an overall agricultural development project.

Meanwhile, the government is determined to reform the census registration system to gradually transfer 10 million surplus rural laborers to urban areas.

At present, the governor noted, Anhui is growing grain on six million ha of land, and is expected to produce 25 billion kg of grain this year, about the same as last year. Its summer crops are growing well.

The governor disclosed that the province still has three million people, accounting for five percent of the provincial population, living below the poverty line.

The provincial government has vowed to exert more efforts to help these people to rise above the poverty line within three to five years and live comfortable lives within eight years.

To reduce farmers' financial burdens, the provincial government has already revoked 87 charges.

### Shandong Secretary Discusses Economic Development

SK2904125494 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 28 Apr 94

[Text] The four-day provincial meeting on the work of opening to the outside world satisfactorily ended on 28 April. Jiang Chunyun, secretary of the provincial party committee, delivered an important report entitled "Comprehensively Implement the Strategy of Bringing Along the Export-oriented Economy, and Pushing Shandong's Economy Onto Another New Stage." In his report, he stressed the necessity of comprehensively carrying out the strategy of bringing along the export-oriented economy with even greater courage and resourcefulness, with even greater boldness of vision, and with even more solid measures.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, presided over the meeting held on the morning of 28 April.

At the meeting, Jiang Chunyun dwelt on 10 issues as follows: First, the issue of understanding. Jiang Chunyun said: In opening even wider to the outside world and developing an open economy, the most important thing is to further emancipate the mind and enhance the understanding of cadres at all levels and leading comrades, in particular. The degree of the emancipation of mind decides the broadness and quality of opening up.

Second, the issue of goals. Jiang Chunyun said: To push the entire economy onto a new stage, we must first push the open economy onto a new stage. We must place opening up in an even more conspicuous position closely around the strategic goal on promoting the provincial economy and social development in three steps. We must start and promote opening up comprehensively and make breakthroughs in all areas to develop the scale and level of opening up extensively, in an effort to rapidly link Shandong's economy with the world market. In line with this general demand, we should effect a new

and even greater progress in all fields of open economy, including export, earnings of foreign exchange, utilization of foreign capital, renovation of old enterprises through grafting, foreign-funded enterprises of three types, tourism, labor cooperation with the outside world, the contacts with the world market, training and absorbing of professionals, and economic cooperation with other provinces and regions.

Third, the issue of overall pattern. Jiang Chunyun said: The opening up strategy, defined by the provincial party committee and the provincial government, known as opening all fields to the outside world, making breakthroughs in major areas, pressing forward the economy level by level, combining the East with the West, and commonly developing the economy, is commensurate with the realities of Shandong, and remarkable results have already been achieved in the practice of this strategy. Thus, this strategy should be carried out vigorously and continuously. In developing the economy, we should give prominence to the overall promotion and coordinated development. The head of the dragon should be raised, its body should float in the air, and its tail should sway so that we can truly form an overall pattern of the development of open economy of Shandong.

Fourth, the issue of structure. We should give prominence to the readjustment of the structures of industries, trades, and export products.

Fifth, the issue of systems. Jiang Chunyun said: At present, many of our systems are not appropriate and lag far behind the demands of the international practice. We must regard the difficult points hampering opening up as the focal points of the deepening of reform and readjust whichever is inappropriate so that we can instill new vitality to the province's open economy.

Sixth, the issue of professionals. Jiang Chunyun said: The lack of professional personnel has become a major obstacle to the invigoration of Shandong's open economy. Therefore, we must adopt feasible measures to accelerate the training of professional personnel and accelerate the development of intellectual resources. We should open wide the province's gate to the outside world and encourage the personnel studying abroad, the students of Shandong origin in particular, to return to the province to work after completing their studies abroad. We should pay attention to attracting retired overseas high-technology experts, engineering and technological experts, and economic management experts to the province to work and encourage them to make contributions to Shandong's economic development.

Seventh, the environment issue. Jiang Chunyun said: We should make great efforts to improve the environment for opening the province to the outside world. In the field of tangible environment, we should further strengthen the building of airports, communications facilities, railways, highways, ports, and power plants. In the field of intangible environment, we should attach

importance on building up a fine-quality and high-efficient administrative service system, a policy and regulation system involving foreign nationals and foreign affairs that tallies with the international practice, and a sensitive and fast information system. Meanwhile, we should pay attention to comprehensive management of social order, create a healthy social atmosphere aimed at forging ahead, and form a fine social environment in which foreign traders are willing to make investment in the province and do business at ease.

Eighth, the issue of rules and regulations. Jiang Chunyun said: In opening to the outside world, we should not open ourselves arbitrarily, nor should we stop managing anything. We must make clear what should be allowed, encouraged, opposed, and restricted in opening up.

Ninth, the issue of study. Jiang Chunyun said: In the process of shifting from a planned economy to the market economy and from the domestic market to the world market, we are confronted with many new circumstances and problems. All people with professions and trades at all levels in the province should be determined to study again and study assiduously in order to improve their level and ability of commanding the export-oriented economy, the market economy, and the modernization drive and to improve their skills to lead the open economy.

Tenth, the leadership issue. Jiang Chunyun said: Party committees and governments at all levels in the province should list the opening to the outside world as an important item on their daily agenda, should pay attention to mapping out strategies, plans, goals, principles, and policies, should be meticulous in researching situations, should adopt policy decisions in a timely manner, and should conscientiously organize the implementation of these policy decisions. All localities, departments, and units should enhance their consciousness in opening to all directions, should foster the idea of handling foreign affairs and developing foreign economic relations and foreign trade on a large scale, should voluntarily cooperate and coordinate with one another, and should bring their own development into line with the overall pattern of opening up.

In conclusion, Jiang Chunyun stressed that the province's reform, opening up, and economic development is at a critical moment. In particular, the success or failure in our work in this and next year is of a decisive significance to the province's economic and social development in the future. We should comprehensively carry out the strategy of bringing along an export-oriented economy and increase the dynamics of opening up with even greater courage and resourcefulness, with even greater boldness of vision, and with even more solid measures in a bid to push the province's economy onto another new stage.

### Shandong Secretary Addresses Rural Work Conference

SK3004061994 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 29 Apr 94

[Text] The provincial party committee held a rural work conference in Jinan on 29 April.

In his speech, Jiang Chunyun, secretary of the provincial party committee, urged that the people from higher levels downward across the province should concentrate greater energy on grasping the 1994 agricultural and rural work; focus on increasing the supply of farm products and the income of the peasants; stabilize grain production; ensure cotton production; increase economic results; and ensure a stable increase in grain, cotton, and oil-bearing crops, an overall increase in the rural economy, and a big increase in the income of the peasants.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government, chaired the conference. Present at the conference were some provincial Leaders, including Li Chunting, Li Wenquan, and Li Zhen; and responsible comrades of the prefectural, city, and county party committees and provincial-, city- and prefectural-level departments concerned.

According to the opinions made by the provincial party committee and the provincial government, Jiang Chunyun talked about eight issues as follows.

First, stabilize the production of grain, cotton, oil-bearing crops, and vegetables and effectively ensure the supply for society.

Jiang Chunyun said: The province's main agricultural production tasks in 1994 are to stabilize the production of grain, cotton, and oil-bearing crops; to restore cotton production; and to enrich vegetable baskets. Cotton production is the province's most important agricultural task for this year. The provincial party committee and the provincial government urged that the party and government departments at various levels should regard the planting of good and sufficient cotton as an arduous economic task as well as a serious political task. We should continue to carry out the system of leaders assuming responsibility for cotton production and regard that whether or not the localities can plant sufficient amounts of good cotton and capture bumper cotton harvests as an important content of assessing [words indistinct] cadres.

Second, comprehensively develop the rural economy and increase, by a big margin, the income of the peasants.

Jiang Chunyun pointed out: Striving to increase the peasants of the peasants by a big margin at the time of ensuring a stable increase in the production of grain, cotton, and oil-bearing crops is an urgent, prominent agricultural and rural work task for this year. To this end,

we should positively readjust and optimize the rural industrial structure and the rural product mix and increase the economic results of agriculture.

Third, ceaselessly deepen the rural reform and inject new vitality to the development of agriculture and the rural economy.

Jiang Chunyun said: To further mobilize the peasants' enthusiasm for production, we must make a new breakthrough in reforming the property right system. We should strengthen the setup of the (?land turnover) system and positively carry out the shareholding system. Barren mountain areas, barren beaches, wasteland, and undeveloped coastal areas can either be developed on a contracted or leasing basis or be auctioned for development. It is necessary to guide the broad masses of the peasants to enter markets.

Fourth, realistically strengthen the buildup of agricultural scientific and technological front and vigorously popularize agricultural sciences and technologies.

Jiang Chunyun pointed out: We should regard the improvement of the peasants' scientific and educational quality as a fundamentally great matter for rejuvenating agriculture with science and education and comprehensively upgrade the peasants' scientific and educational quality.

Fifth, continue to support the poor, to make development, and to ensure the realization of the fourth five-year plan for supporting the poor.

Jiang Chunyun said: Recently, the province worked out the fourth five-year plan for supporting the poor. That is, the province should concentrate five years of time to solve the problems relating to four million people's food and clothes. This indicates that our province has entered the last stage of the project for supporting the poor and making development with the purpose of providing sufficient food and clothes for the people.

Sixth, strengthen agriculture's role as the foundation of the national economy and do our best to serve agriculture.

Jiang Chunyun said: In line with their actual conditions, all trades and professions and all departments should generally examine their aid-agriculture work, affirm their achievements, find out where they lag behind, study and formulate measures for improvement, and conscientiously attend to the implementation of the measures.

Seventh, implement overall measures and ensure the stability of the rural areas.

Jiang Chunyun pointed out: Nineteen ninety-four is the key year of reform. So, it is of peculiar importance to safeguarding the stability of society. According to the existing [words indistinct] as well as [words indistinct] that will possibly crop up, the leading comrades at various levels should persist in the policy of taking a



two-hand approach and being sure that both hands are tough and positively and actively do their work jobs.

Eighth, strengthen the setup of the rural basic organizations to provide a reliable guarantee for agriculture and the rural work.

Jiang Chunyun stressed: The prefectural and county party committees should concentrate their main energy on the rural work. Secretaries, majors, commissioners, and county heads of the localities that fail to promote the production of major farm products, such as grain, cotton, oil-bearing crops, and vegetables; and have problems in supply of these products, should be called to account. It is necessary to persist in the principle of seeking truth from facts, to resolutely overcome formalism and bureaucracy, and to strictly ban exaggerations and false reports. The grass roots should report to higher levels both good and bad news, and [words indistinct].

Responsible persons of five prefectures and cities and two provincial-level departments made speeches at the conference.

Before the conclusion of the conference, Zhao Zhihao, governor of the provincial government, made a speech.

In his speech, he urged that all localities and all departments should conscientiously implement the guidelines of this conference and ensure there are ideology, tasks, measures, and leadership.

In regard to the current production, Zhao Zhihao said: The most important agricultural production task is to grasp cotton sowing work. We should try every possible means to fulfill the cotton sowing plan. He also reminded all localities to grasp the management of wheat field in the later stage, to make earlier preparations for planting, harvesting, and field management, and to ensure a bumper summer grain harvest.

#### **Shandong Governor Discusses Economic Targets**

OW3004082394 Beijing XINHUA in English 0658  
GMT 30 Apr 94

[Text] Jinan, April 30 (XINHUA)—Shandong will open wider to the outside world, provincial Governor Zhao Zhihao said here recently at a provincial working conference on opening up.

Shandong, located on the eastern seaboard of China, was one of the largest contributors to the gross national product in China in 1993.

Zhao said that the province recently mapped out a new opening strategy. Under the plan, Shandong will earn 20 billion U.S. dollars worth of foreign currency through exports by the end of this century, an annual increase of more than 20 percent; use 30 billion U.S. dollars of foreign funds, an annual increase of over 30 percent; and see to it that the shares of export-oriented economy account for over 30 percent of the entire economy.

A series of measures will be adopted to realize the targets.

It will introduce large-scale foreign funds, technologies and management to renovate traditional industries and develop new industries, putting emphasis on iron and steel, automobiles, petrochemicals and construction.

Stress will be put on basic construction, including transportation, telecommunications, business and tourism, to improve the investment environment. At present, the emphasis will be put on the establishment of more air and sea routes.

At the same time, it will strengthen efforts to improve the market network, giving priority to the development of markets of production factors, such as finance, technology, labor, property rights and information.

At present, Shandong has 43 cities, the most in China. It plans to advance the economic development of rural areas through setting up a number of modernized central cities.

#### **Shandong Secretary Visits Agricultural Science Academy**

SK0205022494 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 1 May 94

[Text] On 1 May, while handling affairs at the Shandong Academy of Agricultural Science, Jiang Chunyun, secretary of the provincial party committee, stressed: To push agriculture onto a new stage, we must first push agriculture-oriented science and technology onto a new level. All levels of party, government, and agricultural departments should, without exception, put the agriculture-oriented science and technology in the first place and make a great breakthrough in research, development, and utilization of agriculture-oriented science and technology.

Comrade Jiang Chunyun has been extremely concerned with the work of agriculture-oriented science and technology. Since 1986, he has traveled to the provincial academy of agriculture science on four occasions to conduct investigations, resolve problems, and guide the work.

Early on the morning of 1 May, Jiang Chunyun and Vice Governor Wang Jiangong again led responsible persons of pertinent provincial-level departments to this academy to handle affairs on the spot. They viewed the vegetable research institute, the central laboratory, the crop science and technology development department, the institute for research in atomic energy application, and the wheat varieties exhibition center of the academy. They asked questions while viewing and highly praised many high science and technology items that were under researches.

When seeing the wheat grinder that is advanced in the world, Jiang Chunyun encouraged (Zhao Zhihao), researcher of the vegetable research institute, to seek

cooperation with foreign traders and try the best to bring in, master, and apply advanced foreign technologies in an effort to develop and produce the advanced agriculture-oriented scientific and technological equipment of our own.

On 1 May, International Laborers' Day, Jiang Chunyun extended festive greetings to hard-working scientific and technological workers wherever he went, and extended cordial regards and lofty respects to laborers on all fronts of the province on behalf of the provincial party committee and the provincial government.

While handling affairs on the spot, Jiang Chunyun also conscientiously listened to the reports made by (Xie Yunchun), secretary of the party committee of the provincial academy of agricultural science, and by (Wang Dagang), president of the academy. Then, he delivered a speech on how to further develop the province's agriculture-oriented science and technology.

Jiang Chunyun pointed out: Now, the province's agriculture is precisely at the critical moment of embarking on a new stage. To develop a high-yield, fine-quality, and high-efficient agriculture, we must depend to a large extent on science and technology. In developing agriculture, we must depend on science and technology to resolve problems. He called on top party and government leaders at all levels to pay attention to the primary productive force, put the agriculture-oriented science and technology in the first place, actually grasp the research, development, and application of agriculture-oriented science and technology with a view to promoting the large-scale development of agriculture.

Jiang Chunyun also expressed hope that the provincial academy of agriculture science would carry forward achievements and advance on the crest of a victory. In the next step, the academy should make a new breakthrough in research of agricultural science, should, in particular, achieve even more notable results in the research of biological projects, should make a new breakthrough in development, popularization, and application of advanced technologies, and should translate even more scientific and technological research results into practical productive forces. At the same time, the academy should make a new breakthrough in studying and introducing advanced domestic and world technologies in order to make even greater contributions to accelerating the progress of the provincial agriculture-oriented science and technology and promoting the large-scale development of agriculture.

#### **Foreign Investment Fuels Shandong Economic Development**

OW3004065194 Beijing XINHUA in English 0635  
GMT 30 Apr 94

[Text] Jinan, April 30 (XINHUA)—Soaring foreign investment over the past few years has spurred economic

development in Shandong in East China, earning 35 percent of the province's hard currency, a provincial official said today.

In 1993, the official said, Shandong Province approved 8,012 foreign-funded projects with 7.55 billion U.S. dollars in investment, equivalent to the total amount for the previous 14 years.

These enterprises, he said, produced nine percent of the total industrial output value and the foreign investment in these firms makes up 14.8 percent of the total capital investment in fixed assets.

Foreign investment has also brought in advanced technology and facilities to help improve the industrial set-up of state-owned enterprises. In 1993, some 30 percent of aging enterprises or nearly 10,000 aging enterprises benefited from technical renovations with the help of foreign investment.

Yantai city, for instance, attracted 790 million U.S. dollars to renovate 55 percent of the enterprises above county level.

Up to now, over one million people in the province have found jobs in foreign-funded enterprises. "Shandong cannot experience such rapid economic development and profound improvement in people's living standards without foreign investment," said Zhao Zhihao, the provincial governor.

#### **Shanghai Implements New Rules on Land Use**

OW0105163094 Beijing XINHUA in English 1536  
GMT 1 May 94

[Text] Shanghai, May 1 (XINHUA)—The Shanghai municipal rules on implementation of the land-use law of the People's Republic of China came into effect today.

According to the 76-article rules, all companies, enterprises, organizations and individuals except those covered by special laws and regulations, are allowed to receive the right of land use through the form of assignment for the purpose of development, utilization or business. In addition, all commercial projects including those involving foreign investment should transfer the right of land use through public bidding or auction rather than through negotiations as has most often been done in the past.

An authoritative official noted that with the implementation of the new rules, the practice of combining free utilization of land with paid use has been replaced by paid use for all utilization of land in the city.

Meanwhile, the official said, the Shanghai municipal government will continue to list more fields in land use besides commercial housing for foreign businessmen to invest in.

**Shanghai To Enact Laws To Accelerate Market Economy***OW2904120494 Beijing XINHUA in English 1043  
GMT 29 Apr 94*

[Text] Shanghai, April 29 (XINHUA)—The Shanghai municipal government plans to enact 22 sets of regulations this year in a move to step up urban construction and facilitate the creation of a market economy.

A municipal government official said that ten sets of regulations will deal with economic and urban construction.

There will be a set of regulations concerning the management of technology markets, another set on the supervision of product quality, another set concerning environmental protection and still another regarding the protection of consumers' rights and interests.

The official said that six sets of regulations will govern social management and the protection of rights and interests of local citizens.

Another three sets will deal with culture and education, he added.

The municipal government is drawing up a plan for the formulation of local regulations over the next few years, with emphasis placed on economic, urban and social management, he said.

A series of new regulations will be formulated to speed up the establishment of a market economic structure in Shanghai, he said.

The municipal government has decided to issue a set of regulations regarding the establishment of a modern enterprise system; another set concerning the management and operation of state-owned assets; another set governing the building of commodity markets and production factory markets; another set on the maintenance of the market order; another set related to the establishment of a rational personal income distribution system; and still another set on the establishment of a social security system.

Over the past nine years, the municipal government has issued 370 sets of regulations in an effort to ensure the implementation of the policies on reforms and opening up, the official said.

Fourteen sets of regulations concerning the Pudong new area in Shanghai have been enacted, he said.

These regulations permit foreign businesses to open department stores, supermarkets, banks, financial firms and insurance companies in the Pudong area, where flexible policies are being pursued to encourage Chinese and foreign investors.

Of the 370 sets of regulations, 60 percent deal with economic affairs, with stress placed on standardizing economic activities and tightening government control.

**Zhejiang Encourages Foreign Investment in Infrastructure***OW2904111194 Beijing XINHUA in English 1037  
GMT 29 Apr 94*

[Text] Hangzhou, April 29 (XINHUA)—Zhejiang Province in east China has offered a number infrastructure projects for investment by foreign investors this year, according to a provincial official said today [as received].

These projects, he said, ranges from energy, communications, telecommunications, agriculture, water conservancy and raw materials, which need several dozen billion U.S. dollars.

These include the expressway from Shanghai to Hangzhou to Ningbo, an airport, an ore pier and two power stations. The smallest needs [are] some one million U.S. dollars while the largest requires over five billion U.S. dollars.

According to the official, half of the foreign investment projects above 10 million U.S. dollars approved last years were in infrastructure and basic industries.

As one of the bold policies, Zhejiang Province is expected to allow joint operation between the Chinese and foreign partners. Joint stock companies will be established for those large projects in communications, power and raw material industries so that the enterprises can start from raising investment, construction and operation.

**Central-South Region****Guangdong Secretary, Governor Address Deng Study Class***HK0205103994 Guangzhou Guangdong People's Radio  
Network in Mandarin 0400 GMT 24 Apr 94*

[Text] The provincial party committee held a study class in Foshan from 20 to 23 April for party secretaries of cities at prefectural level to study the "Selected Works of Deng Xiaoping," volume three. Focusing on the 20-character working guideline—seizing the favorable opportunities, deepening reform, expanding opening up, promoting development and maintaining stability—worked out by the central authorities, the participants analyzed the situation, sought ideological unity, and clarified their thinking in light of the practical reality, and especially the new situation and problems arising in the course of implementing the state's series of reform measures this year.

A total of more than 40 people attended the study class, including responsible comrades of the provincial party committee, the provincial people's congress standing committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference; the party secretaries of various cities; and the responsible persons of relevant departments directly under provincial authorities.



Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the provincial party committee, and Governor Zhu Senlin, deputy secretary of the provincial party committee, presided over the inauguration ceremony for the study class, and made important speeches.

#### **Guangdong Party Leaders Promote State Treasury Bonds**

HK0205094594 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 29 Apr 94

[Text] Leaders of the provincial party committee and its office working personnel have bought state treasury bonds with enthusiasm over the last few days. According to statistics, the office working personnel of the provincial party committee already have subscribed for the bonds worth 354,700 yuan or so, or an average per capita subscription of 300 yuan or more.

To promote state treasury bond subscription work, on 14 April the general office of the provincial party committee held a special meeting of persons in charge of units directly under the provincial party committee and appointed selected persons to be responsible for the work and to contact banks, asking them to set up a distribution center in the office of the provincial party committee on 23 April.

Principal leaders of the provincial party committee not only took the lead in subscribing for state treasury bonds, but also attached great importance to the work of subscribing for state treasury bonds. They have repeatedly instructed that it is necessary to mobilize the masses of people to subscribe for state treasury bonds. Xie Fei, secretary of the provincial party committee, pointed out at a recent provincial study class for city party committee secretaries that it is necessary to mobilize cadres and the masses of people to buy state treasury bonds energetically. This is a glorious task of making contributions to the state. Standing committee members of the provincial party committee and members of the leading bodies of units directly under the committee should take the lead in buying state treasury bonds so as to help bring the bond subscription work to a climax. It is necessary to organize forces to give wide publicity to the work, set up more distribution centers, do the work at subscribers' doorsteps, and make the work convenient for the masses of people. One should enhance the sense of urgency toward this work.

At present, the cities of Zhongshan and Yangjiang have filled their state-assigned quotas for sales of 2-year state treasury bonds.

#### **Guangdong Government Leaders Buy Bonds**

HK0205094294 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 29 Apr 94

[Text] Led by Governor Zhu Senlin; Vice Governors Lu Ruihua, Li Lanfang, and Ou Guangyuan; and other

leaders; close to 300 working personnel of the government general office went this afternoon to the state treasury bond distribution center of the Bank of Construction provincial branch, which was located in the provincial government building, and enthusiastically bought state treasury bonds. In an interview with a station correspondent after buying state treasury bonds, Governor Zhu Senlin said: Issuing national bonds is an important move taken by the party Central Committee and the State Council to alleviate the state's financial difficulties and to ensure the development of key national construction projects and undertakings. It has a direct bearing on the overall situation of reform, development, and stability. He remarked: State treasury bonds bear interest higher than that offered by banks; they will benefit individuals. The governor urged party and government leaders of all cities and counties to take the lead in buying state treasury bonds.

According to statistics, the provincial government office working personnel this morning subscribed for state treasury bonds worth 100,000 yuan or so in all. Provincial leaders who were away from the province on official business subscribed for state treasury bonds by telephone. Ye Jianping, vice chairman of the Chinese People's Political Consultative Conference, asked his secretary to subscribe for the bonds on his behalf.

#### **Guangzhou Export Commodity Fair Closes**

OW3004141794 Beijing XINHUA in English 1352 GMT 30 Apr 94

[Text] Guangzhou, April 30 (XINHUA)—The 75th Guangzhou Export Commodity Fair closed today, setting a record transaction volume with an increase of 12 percent.

Officials in charge of the fair gave no account of the concrete transaction volume, but the transaction of new and fine light industrial and petrochemical products, machinery and electronic products made the greatest increases.

The fair registered the attendance of 49,863 overseas businessmen from 145 countries and regions, 2,839 persons more than the last fair.

In spite of the effect of the recent Qiandao Lake tourist boat accident, 4,075 Taiwanese businessmen, 14 percent more than the last fair, came to the fair, organizing officials said.

The number of Japanese businessmen decreased by 3 percent to 2,802, partly due to the inactive internal economy of Japan.

The transaction volume between Chinese commodity exporters and Hong Kong and Macao businessmen accounted for 33.3 percent of the total, the officials said.

## Southwest Region

### Sichuan Expects 'Bumper' Agricultural Harvest

OW0105133294 Beijing XINHUA in English 1314  
GMT 1 May 94

[Text] Chengdu, May 1 (XINHUA)—Sichuan, China's most populous province and largest producer of grain and edible oil, is expected to have a bumper harvest this summer.

The provincial agricultural department predicts that wheat output will reach that of 1992, a record year, and rapeseed output will increase by 10 percent over last year.

Sichuan's grain and edible oil output decreased last year. Since the beginning of this year, local governments have attached more importance to agriculture and taken measures to lessen the burden on farmers.

Meanwhile, the provincial government has sent some 100 experts to the countryside, who, together with 25,000 agronomists working at the county and township levels, have helped local farmers to manage 2.33 million hectares of farmland, 30 percent of the province's crop-growing areas.

The local governments are now working out purchasing prices for wheat and rapeseed. Local farmers say that they expect higher and more reasonable prices for their products.

The rapeseed output of the province makes up 17 percent of the national total. The provincial government expects to purchase 400 million kg of edible oil this summer, half of which will go to the rest of the country. Local officials say that a good harvest in the province would stabilize the country's edible oil market.

### Tibet Party Official on Work of Intellectuals

OW3004091494 Lhasa Tibet Television Network in  
Mandarin 1200 GMT 29 Apr 94

[Announcer-read report over video; from the "Regional News Hookup" program]

[Text] At the first Tibet regional forum on intellectuals work on the afternoon of 27 April, Guo Jinlong, deputy secretary of the Tibet Autonomous Regional CPC Committee, pointed out that, in the new situation, party committees and governments at all levels should further improve intellectuals work and bring their role into full play.

The forum will sum up the work of Tibet's intellectuals in the preceding period, exchange experience in intellectuals' work, discuss the building of an intellectual work force in Tibet, and define the future tasks of Tibet's intellectuals work. Guo Jinlong said: Social practice and Tibet's natural environment have endowed Tibet's intellectuals with a special ability to combat, work hard, be

patient, and dedicate themselves. Over the years, Tibet's intellectuals, undaunted by hardships and not seeking personal fame and interests, have quietly dedicated their youth and talents to Tibet's socialist construction and reform and opening up. They have made indelible historical contributions to Tibet's economic development and development and progress in science.

Guo Jinlong pointed out: The 14th CPC National Congress set accelerating scientific and technological progress, forcefully developing education, and bringing intellectuals' role into full play as one of the 10 major tasks that will decide China's socialist modernization work in the 1990's. This fully indicates that the party attaches great importance to intellectuals work. The work of the party's intellectuals is a regular and long-term task. Leading cadres at all levels and comrades engaging in intellectual work should have an in-depth understanding of the party's policy toward intellectuals; adhere to the party's basic appraisal of and basic policy toward intellectuals; and faithfully carry out the party's policy that intellectuals should be treated equally politically, be made use of freely, and that the party should show concern for intellectuals' daily life.

We should list the work on intellectuals as an important agenda of party committees and governments at various levels, and truly trust and rely on the broad masses of intellectuals. It is necessary to continually explore new ways and methods of handling Tibet's intellectual work under new circumstances. We should resolve one or two specific problems for intellectuals annually in an effort to create conditions and an environment in which talented people will show themselves.

Deputy Secretary Guo Jinlong stressed: Party committees and governments at various levels should pay attention to, respect, show concern for, and cherish talented people. We should intensify the development of and the education about intellectuals in accordance with the policy of making them more revolutionary, younger in their average age, better educated, and professionally more competent. We should boldly promote outstanding intellectuals who are politically reliable and professionally competent and who possess a certain level of organizational management skills, and place them in appropriate leading or management positions. Furthermore, we should continually improve the special technical and vocational employment system, strengthen the assessment of special technicians, and create a competitive mechanism that is stimulating and progressive. In addition, we should strengthen the building of a professional work force, expand undertakings for selecting and appointing personnel, and cultivate a good social practice across the whole society under which knowledge and talented people are respected so that Tibet's contingent of professionals will develop more healthily.

Also speaking at the meeting were (Lu Huiming), member of the autonomous regional party committee Standing Committee and organization department

director, and (Cideng Pingcui), deputy director of the autonomous regional party committee's organization department.

## North Region

### Mayor Delivers Beijing Government Work Report

SK2604234094 Beijing BEIJING RIBAO in Chinese  
17 Apr 94 pp 1-3

[Report on work of the government given by Li Qiyang, mayor of Beijing Municipality, at the second session of the 10th Beijing Municipal people's congress on 8 April]

[Text] Fellow Deputies:

I now submit a report on behalf of the Beijing Municipal people's government, to the present session for examination.

#### 1. Review of 1993

Nineteen ninety-three was a year in which we upheld the party's basic line, comprehensively implemented the guidelines of the 14th party congress, and made big strides forward along the path of building socialism with Chinese characteristics. Under the leadership of the CPC Central Committee, the State Council, and the Beijing Municipal party committee, the people of various nationalities across the municipality emancipated their minds, advanced in a pioneering spirit, accelerated the pace of reform, opening up, and socialist modernization, conscientiously implemented the resolutions of the first session of the 10th municipal people's congress, fulfilled and overfulfilled the national economic and social development plan, and comprehensively realized the fighting objective of surpassing the achievements of the previous year.

A. The national economy increased by a large margin, the markets were brisk, and the people's living was further improved. The total gross domestic products during the year were valued at 85.2 billion yuan, up 12 percent over the previous year. The local financial revenue reached 8.41 billion yuan, up 4.8 percent. In grain production, the exceptionally serious drought which was rarely seen for 50 years was overcome. The per-unit area yield reached 415.7 kg and the total output reached 2.84 billion kg, all setting the best records in history and marking the year as the 16th bumper harvest year. The production of major, nonstaple foods steadily increased, the varieties were abundant, and the supply was adequate. Township enterprises maintained a strong trend of development with total income reaching 46.87 billion yuan, up 63.2 percent over the previous year. The pace to develop the mountainous areas was accelerated. The average per-capita labor income of 60 outlying remote townships and towns reached 1,189 yuan, up 19.3 percent. Under the situation in which funds and electricity were in short supply, the industrial sector accelerated the

pace of structural readjustment, technological transformation, and development of new products, with the added value reaching 32.4 billion yuan, up 10.2 percent over the previous year. Industrial enterprises at and above the township level created 15.42 billion yuan in profits and taxes, up 15 percent over the previous year, thus basically realizing a simultaneous increase in efficiency and rate. The growth rate of tertiary industry continued to surpass that of the secondary industry, and the added value it created reached 39.5 billion yuan, up 12.9 percent over the previous year, and its proportion in the gross domestic products rose from 44.3 percent in the previous year to 46.4 percent. Under the new situation in which production was developed and social demands increased, we upheld the principle of "buying products from all over the country, selling products to all parts of the country, encouraging all parts of the country to build markets and sell products in Beijing, serving the whole country, and marching towards the world," enriched the markets in the capital with plenty of commodities, kept the supply and marketing brisk, and realized 54.94 billion yuan in total retail sales of commodities, up 27.8 percent over the previous year. During the year, we built nine large-scale commercial centers, each covering an area of over 10,000 square meters to bring the total to 27; increased 44,000 new commercial service networks to a total 225,000, thus making things more convenient for the masses. Along with economic development, the living conditions of the people in the urban and rural areas was greatly improved, and if the price rise was factored in, the actual increase in the average per-capita wages of staff members and workers across the municipality was 7.8 percent; the average per-capita net income of peasants actually increased by 5.1 percent. The year-end savings deposits of urban and rural residents totaled 56.07 billion yuan, up 44.2 percent over the previous year.

B. Urban and rural construction was quite rapid and new changes took place in the capital's appearance. Continued efforts were made in unswervingly putting the building of infrastructure facilities in the first place, accelerating the construction rate, and making an annual investment of 10.36 billion yuan in this aspect, up 76.2 percent over the previous year. We added 415 km of new roads and built 15 overpasses in the urban areas. The capital airport expressway which is referred to as the first road leading to the country's gate was completed and attained international, first-grade standards. The east third ring road renovation project was started and completed within the same year, alleviating traffic congestion in the eastern part of the municipality. The Beijing section of the Beijing-Shijiazhuang expressway, Migu Road, Guangning Road, and other trunk lines and feeder lines in the urban and rural areas, were completed and opened to traffic, making the total traffic mileage of the whole municipality exceed 10,000 km, and enabling us to prefulfill the stipulated targets set for the Eighth Five-Year Plan by two years. New progress was made in the construction of the Beijing west passenger train



station, the no.8 double-track subway line, the west third ring road renovation project, and other major projects.

The plan for the "project of not opening the sluice gate" to meet the power consumption peak by the end of 1995 was formulated. The new ways of developing electric power in the capital, such as jointly conducting power production with Inner Mongolia and bringing in foreign capital to build Shijingshan heat and power plant, were paved. A half of the second-phase project in building the ninth waterworks was accomplished. The first-phase project in building Gaobeidian sewage treatment plant whose scope is the largest in the country and whose technology and equipment are advanced, was accomplished and put into operation. Its daily capability of sewage treatment reaches 500,000 tonnes. The project of building the second pipe line in north China, which is supplying natural gas to Beijing Municipality, was accomplished. The newly-increased daily capability of gas supply in the year was 150,000 cubic meters and the newly increased acreage of areas that enjoyed the heat supply was 2.624 million square meters. The newly increased capacity of urban telephone exchanges was 360,000 lines and the newly increased number of urban telephone consumer households reached 187,000. The number of telephones in every 100 persons reached 14 and that in urban areas reached 23. The key project of rebuilding the municipal post facility that is the largest center of handling the postal matters in the country was put into operation. It has greatly relieved the strained situation in handling post matters and areas inside the second ring road have enjoyed the early delivery and sale of newspapers. The acreage of well-built houses in both urban and rural areas was 11.544 million square meters. The acreage in this regard has surpassed 10 million square meters over the past seven years. The municipality also mobilized the forces of various social circles to accelerate the construction of residential houses. The annual acreage of built residential houses reached 6.141 million square meters. The acreage in this regard has surpassed 5 million square meters over the past seven years. The "plan for having residents across Beijing Municipality enjoy sound housing conditions" in an effort to help residents overcome their housing difficulties caused by their middle and low incomes was formulated. The acreage of houses with sound conditions reached 100,000 square meters. The construction of satellite cities, county seats, towns with trade fair, and new rural villages achieved obvious progress. The municipality's rate of forest coverage reached 35 percent and its urban greening rate reached 30.7 percent. Its urban environment was beautified and its living conditions improved. In the course of building a modernized city, the municipality enhanced consolidation over environmental pollution and the protection of the old city's views.

C. The undertakings of science, technology, education, culture, public health, and sports achieved new progress. Along with accelerating modernization in the capital, the thinking of regarding science and technology as a prime

productive force was deeply instilled gradually into the hearts of people. Multiple social circles attached great importance to the undertakings of science and technology. Scientific and technical plans in various fields were smoothly enforced. The municipality scored 3,024 scientific and technological results in the year and newly approved 5,806 patent items. The municipality popularized and applied 3,100 scientific and technological results and scored better economic results from them. The experiment zone of new-tech industrial development, the information industrial base in the zone, and the Fengtai and Changping scientific and technological parks, achieved rapid development. They have become the new rising forces for promoting the development of high-and-new-tech industries. The civilian-run scientific and technological enterprises achieved new development. The municipality scored some new results in integrating social science research closely with the new situation prevailing in reform, opening up, and modernizations and in deeply carrying out theoretical exploration in line with the establishment of socialist market economic systems. Education undertakings were continuously put in a position of preferential development strategy and the quality of education and teaching affairs was somewhat upgraded. By persistently following the school systems, the leading cadres of municipal level organs went deep into the schools on many occasions in the year to conduct their official work and to help them deal with their problems. The input in education increased. The spending on education set in the annual budget was 1.63 billion yuan and its proportion in the municipal financial expense was 20.1 percent. The pay of teachers, staff members, and workers was continuously upgraded and their income level was slightly higher than the average income of staff members and workers across the municipality. Funds for improving schooling conditions were raised through multiple channels. The municipality took the lead in the country in basically popularizing the compulsory nine-year education and eliminating illiteracy among persons in the prime of life. Infant and special education were enhanced. Adult education, secondary vocational and technical education, and vocational and technical training classes, were carried out extensively. The readjustment of courses among higher educational institutions began to have effect. Reform in the student enrollment systems of middle and primary schools was explored and reform in subjects for the college-qualification examination achieved smooth progress. Problems that emerged when some schools collected fees arbitrarily were cleared. Undertakings in literature and art, press and publication, and radio and television broadcasting achieved further development. A large number of outstanding works that eulogize the achievements of reform and opening up and reflect the practical life, including "Beijing Citizens in New York" and "The Lane of Ga'a," cropped up.

Beijing Television Station provided the round-the-clock broadcasting service, and "BEIJING RIBAO" and "BEIJING WANBAO" increased its number of pages. Protection of cultural relics was valued, and a group of

cultural relics of the state and the municipal levels were repaired. New results were achieved in the patriotic public health campaign and in the work concerning medical treatment and health protection. The total incidence of major infectious diseases declined for 12 years running. Education on medical ethics was strengthened, and the level of medical treatment and of medical teaching and scientific research was enhanced obviously. Marked results were achieved in family planning. The undertakings for the handicapped garnered universal concern and support of various circles in society. With the great trust placed on it by the people throughout the country, Beijing successfully hosted the Seventh National Games, and the Beijing delegation scored fine achievements in the games, thus promoting the development of mass sports activities.

D. Reform was deepened further and developed towards the new stage of effecting overall progress and making breakthroughs in key areas. The optimum-scale farming continued to improve, and a number of high-efficiency appropriate-scale farms took shape. The experiments for the rural share-holding cooperative system were expanded steadily, thus instilling new vitality and vigor to the development of township and town enterprises as well as agriculture. The restrictions on the policies towards mountain areas were relaxed by proceeding from the reality, thus promoting the development of mountain areas and helping these areas become prosperous. The "regulations on changing the operational mechanism of state-owned industrial enterprises" and the methods to implement the "regulations" were carried out in a profound manner, thus accelerating the change of operational mechanism of state-owned enterprises. Under the guidance of the State Commission for Restructuring Economy, the first light industrial general corporation took the lead in carrying out the comprehensive reform and explored a new path of invigorating large and medium-sized state-owned enterprises. The comprehensive reform already extended to first commercial, agricultural machinery, aquatic products, food, and building materials trades. Tianqiao, Tianlong, Stone, and Beiren achieved success in selling their stocks to the places outside the municipality and the places outside the territory, thus pushing forward the reform of the shareholding system. Reform experiments such as enterprise groups, state-owned but people-run enterprises, and the shareholding cooperative system continued to improve. The sector of the economy not owned by the state was developed. Initial results were achieved in the reform of the public transportation system, with the contract for single cars as the main content. A key step was taken in pricing reform, prices of grain and cooking oil were basically decontrolled, and the risk-taking storage foundation for major agricultural and sideline products was established. The sale and transfer of land-use rights with compensation was carried out, thus increasing the income and benefit from land resources and initially establishing a relatively standardized real estate market. Petroleum exchange and commodity

exchange were established and were successfully operated in line with the international standards, with their business volume keeping on rising. Monetary market was brisk, and the trading volume of negotiable securities reached 15.17 billion yuan. Professional personnel and labor service markets of various categories developed to 74 in number, and information and consulting markets developed rapidly. Markets played an increasingly obvious role in regulating economic activities. The program of making overall plans for curing major diseases of enterprise workers and staff was formulated and began to be tried out in Xicheng District, thus accelerating the reform of the social security system. The urban housing system reform touching upon the personal interests of numerous households was pressed forward steadily. On the basis of profound study and investigation, the program for reforming Beijing's government organs was drawn up, and the public servant training and wage reform were carried out step by step. All levels of governments cleared up non-permanent organs, streamlined administrative procedures, delegated powers to enterprises, positively transformed functions, and carried out experiments for the reform of the system on management of state-owned assets and property. At the same time, the central authorities' measures for strengthening and improving macroeconomic regulation and control were implemented, and the supervision, monitoring, regulation, and control over economic operation were strengthened.

E. The foreign funds utilized increased obviously, and major headway was made in opening up. In 1993, a total of 3,752 foreign-funded enterprises of three types were newly approved. The projects each exceeding \$10 million in enterprise scale, numbered 200 or more, and the average scale for these projects was 2.2 times the 1993 figure. The total number of foreign-funded enterprises of three types in the municipality reached 7,521, and the foreign capital actually utilized reached \$2.85 billion. Some world-noted large corporations began making investments in Beijing. A number of joint ventures laid foundations and started construction in Beijing. Foreign investment extended to the spheres of infrastructure, commercial facilities, rebuilding of dangerous old houses, tourist facilities, and information consulting service.

To implement foreign investment projects as quickly as possible, the municipal government established an office for accelerating foreign capital utilization and persisted in the system whereby the screening and approval of the projects are a coordinated process, thus raising work efficiency. Throughout Beijing, 1,753 foreign-funded enterprises of the three types went into business and became an important force in economic development. The three types of foreign-funded enterprises in the Beijing Municipal New-Tech Industrial Development Experimental Zone increased to 700; the Beijing Economic and Technological Development Zone completed the seven components of infrastructure and the leveling of ground for the construction of its 3.8-square-km



start-up area, and 34 enterprises well-known at home and abroad "settled down" in the zone; infrastructural construction of district and county small industrial zones was accelerated, and 1,312 projects were already in these zones. The rapid and healthy development of the various development zones and small industrial zones became the new growth points for urban and rural economy. Foreign trade was expanded continuously, with the annual imports and exports totaling \$3.08 billion, up 38.1 percent. Of the total, the volume of exports was \$1.7 billion, up 10.9 percent, which was the largest annual increase in exports in our history. The quality of export commodities was improved, the proportion of the commodities with high added value increased, and the export market diversified. Another 55 enterprises obtained the import and export authority, the exports of the three types of foreign-funded enterprises amounted to 20.6 percent of the total exports of Beijing, and a new pattern of exports through multiple channels took shape. Overseas enterprises and construction projects and labor service cooperation undertaken abroad made new headway. Overseas tourists totaled 2.027 million, and foreign exchange income from tourism was \$1.24 billion, an all-time record. Friendly exchanges with foreign countries became even more vigorous, and friendly ties were established with the capitals of four countries in the year.

F. We strengthened the socialist spiritual civilization, democracy, and the legal system. Taking advantage of the distribution of the third volume of the "Selected Works of Deng Xiaoping," we extensively created an upsurge in studying the theory of building socialism with Chinese characteristics and further unified the thinking of cadres and the masses. In connection with the activities to mark the centennial of Mao Zedong's birth, we conducted the education on patriotism, collectivism, socialism, and outlook on life and value among the masses, especially youths, and achieved fairly good results. Although we failed by two votes in the bid to host the 2000 Olympic Games due to numerous reasons, our bidding activities has increased the world's understanding about China and our understanding of the world, enabled us to make many friends, expanded our influence, enhanced the unity of the Chinese nation, uplifted our national spirit, and inspired the confidence and determination of our millions upon millions of people to go all out to make the country strong and build socialism with Chinese characteristics. The activities to present 100 educational movies on patriotic themes, to appraise and select advanced and model persons, and to "tour, love, and build Beijing" yielded a good social effect. A number of persons, such as Gao Sanxi, were praised by the masses for their heroic and model deeds and became the models for the people of various nationalities throughout Beijing to learn from. A vast number of people actively participated in the donations to the "hope project" designed to help children who were forced to discontinue schooling due to poverty. Prohibition against the firing of firecrackers won the understanding and support of the masses and was a success.

Notable progress was achieved in national defense education, conscription work, and building of national defense reserve forces; the double-support work and army-police-civilian joint efforts in building civilized units were intensified; and building of grass-roots civilized units again made new headway. In improving the socialist democracy and legal system, governments at all levels in Beijing voluntarily subjected themselves to the supervision of people's congresses and their standing committees and adhered to the system of democratic consultation by the Chinese People's Political Consultative Conference [CPPCC] committees, democratic parties, and persons without party affiliation. We handled and replied to 2,154 motions and suggestions submitted by people's deputies and CPPCC members in the year and strengthened the work to solicit suggestions, people's letters and visits, and telephone calls to the mayor. We conscientiously implemented the party's policies on nationalities and religions and maintained the harmonious relations between various nationalities, political unity and cooperation, and mutual respect in religious belief, thus consolidating a stable and united situation. The advantages of the work concerning Overseas Chinese affairs and the work directed to Taiwan were developed to make new contributions to the construction of the capital. New experiences were gained in managing the city according to law.

The pace of formulating and perfecting the local rules was accelerated. Thirteen draft local rules and regulations were submitted to the municipal people's congress standing committee for examination and discussion during the year. The dynamics of enforcing administrative laws were expanded. Efforts were made to examine the situation of enforcing 15 laws, rules, and regulations. Through conscientious preparations, the people's policemen made their rounds to examine, on a trial basis, the enforcement of laws and were appraised by the people. The propaganda on popularizing the general knowledge of laws was extensively carried out. The number of persons who died from six kinds of abnormal accidents continued to be reduced. We mobilized the forces of all social circles to comprehensively improve social order; continued to wage special struggles against serious criminal offenders, "pornography," the "six vices," and "fake products;" cracked a number of cases of serious crimes; eliminated a group of criminal gangs; and safeguarded the stability of the capital.

G. Achievements in waging the current-stage struggle against corruption were made. Last year, the central authorities made a decision on opposing corruption. The Beijing Municipal CPC Committee paid high attention to the decision, and the governments at various levels conscientiously implemented it. Simultaneously, the broad masses of the people positively implemented the decision and also helped the governments overcome and correct corrosive phenomena. The municipality made achievements in fulfilling the three tasks for opposing corruption as defined by the central authorities. The majority of the units adopted a conscientious attitude



toward the struggle and made better achievements. However, a small number of the units failed to do their jobs well and even perfunctorily and superficially engaged themselves in the struggle. The major achievements in opposing corruption and advocating administrative honesty are as follows: First, the government organs at various levels across the municipality and the cadres of the administrative and law enforcement departments at or above the section level generally convened the democratic activities in line with the central authorities' five regulations on administrative honesty and self-discipline and made self-investigations and self-corrections. Most of the problems that had been found out were resolved. Second, a large number of major and appalling cases were conscientiously investigated and handled. From September to December, the municipality investigated and handled 101 major cases of corruption and bribery each involving over 10,000 yuan in money, made public 37 major and appalling cases, and handled 46 serious economic criminals according to laws. Third, the unhealthy trends of state organs abusing power to wantonly collect charges were basically controlled. The departments concerned under the municipal government canceled 211 items on unreasonable collection of charges, and the district and county governments canceled 341 unreasonable charge collection items. In the struggle against corruption, the governments at various levels reported the situation to the people's congresses, the CPPCC organizations, democratic parties, and the masses and accepted their supervision. At the same time, we combined administrative honesty with administrative diligence according to the requirements for "grasping administrative honesty to promote administrative diligence," did more good and concrete deeds for the people, and narrowed the distance in the relationship between the government and the people.

By reviewing the work done in the previous year, we deeply experienced that to achieve the work of the capital, we must persistently take Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics as a guidance, comprehensively implement the basic line of the party, ceaselessly emancipate the mind, proceed from reality, seek truth from facts, and boldly make explorations. Only by so doing will we have new ideas, make great accomplishments, and ceaselessly create a new situation in reform and construction. Only when we persist in the Marxist viewpoint that development is an essential criterion, firmly grasp the central link of economic construction, and enhance the sense of urgency for grasping the favorable opportunities will we be able to bring our advantages into play, ceaselessly break obstacles, overcome difficulties, and make development in all undertakings. So long as we persist in the purpose of wholeheartedly serving the people, carefully experience and observe the people's feeling, engage in less talk but more work, do solid work, conscientiously help the people solve their practical problems, and set the highest possible standards to be attained by the government, will we be able to enjoy the trust and support of the people and lay a firm foundation for our

work. Only when we pay high attention to safeguarding the situation characterized by stability and unity and resolutely deal blows to the phenomena of damaging stability and hindering unity will we be able to consolidate the established achievements and ensure the smooth realization of the capital's grand blueprint for socialist modernization.

Fellow deputies, the great achievements in building the capital over the past year were the results of the united efforts of the people of various nationalities across the municipality on the basis of the good work in the past. Here, let me extend heartfelt thanks on behalf of the municipal government to the broad masses of workers, peasants, cadres, and intellectuals who actively participated in the capital's socialist modernization drive, to deputies, CPPCC members, and personages from various democratic parties, mass organizations, and all social circles for their great support and supervision, and to central units stationed in Beijing, fraternal provinces, prefectures, and cities, the People's Liberation Army, and the armed police force who greatly supported our work, and to compatriots from Taiwan, Hong Kong, and Macao, Overseas Chinese compatriots, and international friends who cared for and supported the development of the capital.

While affirming the achievements, we should soberly recognize that there are still many difficulties and problems on our road of advance, and there are shortcomings and deficiencies in the government work. The prominent ones were: The funds were in short supply; the infrastructure facilities, such as power and gas supply, communications and telecommunications, were still far from meeting the needs of the development of production and the people's living; a considerable number of state-owned large and medium-sized enterprises still could not extricate themselves from the difficult position of earning low profits and suffering deficits; the rise in the retail price index was quite high and the rise reached 16.9 percent; there were many inconveniences and prominent difficulties in the life of the masses; the quality of some small housing community projects was not high, the supporting facilities were imperfect, and the dismantling and relocation work was not well implemented in some places; some places lacked relevant systems, laws, regulations, and methods in the management of the inflow of transients, trade fairs, and environmental protection and sanitation, and failed to follow and strictly enforce laws; some units, particularly some leading organs, failed to pay full attention to spiritual civilization, allowing the phenomenon of being tough with one hand and soft with the other hand to exist; although great efforts were made in public security work, the situation was not optimistic, and serious cases increased in number; the problems of overstaffed government organs and low working efficiency still could not be fundamentally solved, some leading organs and leading cadres still practiced formalism and bureaucratic work style at varying degrees, some cadres even abused their powers to seek personal gains, a small number of

people were morally degenerated, violated law and discipline, and seriously damaged the flesh-blood relationship between the government and the masses of people. We should pay great attention to these problems and conscientiously solve them, and we earnestly hope that all deputies will give criticism and suggestions.

## 2. The Work of 1994

The year 1994 is a crucial one for implementing the decision of the third plenary session of the 14th party Central Committee and establishing the socialist market economic structure, and an important year for accelerating the capital's socialist modernization drive in accordance with the demand of the State Council's written reply on the "Beijing urban overall plan." The CPC Central Committee has comprehensively analyzed the situation at home and abroad and defined this year's basic principles for the work of the whole party and the whole country: It is necessary to take the theory of Comrade Deng Xiaoping on building socialism with Chinese characteristics and the party's basic line as the guidance, comprehensively implement the guidelines of the 14th party congress and the third plenary session of the 14th party Central Committee, accelerate the establishment of the socialist market economic structure, maintain a sustained, rapid, and sound national economic development, maintain political stability, and promote comprehensive social progress. The overall situation of the work of the whole party and the whole country is to seize the opportunity, deepen reform, expand opening up, promote development, and maintain stability. Governments at all levels across the municipality should submit their work to and serve this overall situation, grasp the situation, exert efforts to accomplish something, and continue to push the capital's all construction undertakings forward.

Last October, the State Council approved the newly revised "Beijing urban overall plan," and issued an important eight-point written rely. This is a blueprint for guiding the capital's development for this century and next and an scientific basis for urban construction and management. The overall plan proposed: By the year 2010, Beijing's social development, and the economic, scientific, and technological comprehensive strength should attain or even surpass the level of capital cities of the moderately developed countries in some aspects, thus laying a foundation for building Beijing into a first-grade modernized international city by the middle of the 21st century.

We should thoroughly publicize and resolutely implement the overall plan, most extensively mobilize the forces of the people of various nationalities in Beijing, make each year's work a success, and march toward the grand goal of modernizing the capital in a down-to-earth manner.

In line with the central instructions, the guidelines of the second session of the eighth National People's Congress, the resolution on fulfilling the major tasks of the 10-year

program three years ahead of schedule and attaining the strategic target of a fairly comfortable life approved at the first session of the 10th municipal people's congress, and the specific conditions of Beijing, we should put the endeavor to maintain stability in the capital above everything else, handle the relationship between reform, development, and stability well, further emancipate the mind, firmly seize the opportunity, achieve breakthroughs in key areas, and make a bigger stride in reform and construction to achieve a fairly comfortable life ahead of schedule. The major targets of Beijing's economic and social development are to achieve a 10-percent increase in terms of comparable prices in the gross domestic product to make it 99 billion yuan, which, translated, means a 3.5-percent increase in primary industry, 9.8-percent increase in secondary industry, and 11.5-percent increase in tertiary industry; and to actively promote science and technology, education, and other social undertakings and further strengthen the socialist spiritual civilization, democracy, and legal system to further improve people's material and cultural life.

A. We should make great efforts to adjust the structure and improve efficiency to bring about sustained, rapid, and healthy economic development.

One of the basic targets put forward in Beijing's overall urban plan is to establish an economy which is led by high and new technology, in which the tertiary industry is developed, the industrial composition is rational, and efficiency and quality are high, and which conforms to the characteristics of the capital. Focusing on upgrading the quality and efficiency of economic growth, we should make great efforts to adjust the structure, develop an economy compatible with the characteristics of the capital, and maintain sustained, rapid, and healthy economic development this year.

Agriculture, which concerns the national economy and people's livelihood, is the major work influencing the overall situation. The more modern the city becomes, the more we should consolidate the position of agriculture as the foundation and make efforts to develop agriculture successfully. We should resolutely implement the guidelines of the central rural work conference and make sure that this year's grain output is stabilized, per-unit yields are raised, and major nonstaple food continues to increase. To attain this, we should continue to improve the policies in support of agriculture, speed up formulation of regulations on protection of basic farmland, and conscientiously protect cultivated land. We should intensify construction of nonstaple food production bases, make the "vegetable basket" project a success, adhere to the principle of "making outer suburbs the major vegetable producers, increasing the vegetable production of outskirt areas, and regulating vegetable supplies by importing from other localities," and increase the areas sown to vegetables by 150,000 mu. We should continue to increase agricultural investment and raise funds from various channels to support agricultural development. We should further reduce the burdens on



peasants to protect peasants' interests. We should persist in developing agriculture through the application of science and technology and promotion of education and stabilize and strengthen the contingent of agricultural scientific and technical personnel. We should actively explore the new road of rural reform and, proceeding from the reality of Beijing's suburbs, further improve and develop the method of operation on as large a scale as possible in the economically developed plain areas, promote the coordinated process of production, processing, and marketing, bring about high yields, high quality, and high efficiency in agriculture by raising labor productivity by a large margin, and then increase peasants' income. In economically underdeveloped areas, we should continue to stabilize and improve the household-based output-related contract responsibility system but should never seek uniformity in the forms we adopted. We should continue to improve the farm and sideline product distribution system, speed up construction of central wholesale markets for farm and sideline products and specialized wholesale markets for grain, meat, and vegetables, increase reserves, and maintain a rational stock. Township enterprises should add impetus to the reform designed to establish the shareholding system, improve their management, and continue to "expand their scale, adopt a new layout, develop the export-oriented economy, and adopt new mechanisms, new technology, and new equipment."

We should actively promote the construction of central towns with trade fairs and new rural villages. In line with the principles of "building up the mountainous areas with the money earned from business established in outside places," "entering markets in order to become better-off," and of "living off the mountain when living on a mountain," we should delegate more self-determination rights to mountainous areas in the fields of land management and development and in production. Efforts should be made to accelerate, in an overall way, the progress of rural areas in becoming better-off by integrating the introduction of funds, technologies, and talented personnel with the establishment of enterprises in flatland; and by opening the mountainous areas and natural resources to outside places and developing the production to gradually reduce the economic gap between mountainous and flat areas.

According to the principle of concentrated high technology of high additional value, the less energy consumption, the less water consumption, the less pollution, the less transport volume, and the less land occupation of products, industrial enterprises should keep markets in view; readjust their structure; and increase their economic results. Efforts should be made to extensively apply new technologies to improving the traditional industries to accelerate the readjustment of technological structure and product mix. By adopting effective measures, we should promote the development of the three pillar industries of motor vehicles, electronics, and new building materials, as well as of backbone industries. We should conduct reform in the existing managerial system

of auto industry and reinforce the investment made in the industry so as to enable the principal leading products of automobiles to be improved in standardization and level, to accelerate their replacement and renewal, and to meet the demands of markets. Electronic industries should concentrate their forces in various fields on organizing enterprise groups by regarding their products that enjoy brisk sales as a guide, accelerate the enforcement of the "electronic town" plan in Jiuxianqiao, and do a good job in grasping the key projects of producing video camera and program-control telephone exchanges. Industries in charge of producing new building materials should intensify their work of building the "building material town" in Xisanqi and of inviting business and bringing in capital from foreign countries. Meanwhile, efforts should be made to ensure the construction of the ethylene plant in the year and to concentrate efforts on building a large number of key projects, including the heat rolling mill. We should accelerate the technical progress of enterprises and enable the major equipment of one-third key enterprises to achieve replacement and renewal this year and to improve their technical level. Enterprises should fully understand the new situation in which China is going to restore the position of original signatory state to the GATT treaty, actively readjust their products' mix in line with the demands of both domestic and foreign markets, improve their products' quality, enforce the international standard, enhance their competitive capability, and create more products that enjoy brisk sales and have famous trademarks.

We should accelerate the establishment of a tertiary industrial system that serves the capital, keeps the country and the world in view, is complete with functions and rational allocation, and renders first-grade service. The municipality plans to have the increased value of tertiary industries account for 47.5 percent in the municipal gross domestic product this year and to have social retail sales show a 20 percent increase. Efforts should be continuously made to support and encourage the development of industries and trade of finance, insurance, technical trade, communication and transportation, post and telecommunications, information and consultation, and tourism. The construction of financial street should be accelerated. In line with the principles of formulating unified plans, making rational allocation, and meeting the demands of different consumers, we should push forward in an overall way the construction and rebuilding of commercial service facilities in various fields. We should ensure the complete construction and operation of 10 large shopping centers with acreage of over 10,000 square meters. Efforts should be continuously made to develop small commercial networks and centers that are convenient for the people; so vigorously reform the old business areas in the downtown area and a large number of district-run shopping centers; and try to open supermarkets, chain stores, and commodity distributing centers that are suitable to the consumption characteristics of the country. We should accelerate the construction of indoor trade fairs and gradually enable peddlers to bring their outdoors



business indoors. The role of the large wholesale enterprises should be brought into play. The level of modernizing the storage facilities at various fields should be upgraded and their storage capability should be enhanced.

**Fellow deputies:** Boosting the large and medium-sized enterprises represents not only the key to maintaining sustained, rapid, and healthy development of the national economy and the foundation of establishing the systems of socialist market economy but also a decisive role in safeguarding social stability. Reasons for the difficulties encountered by some enterprises at present and for the poor economic results scored by these enterprises are of problems in their business mechanism and also of their social burdens, their left-over troubles, and their poor internal management.

We should have the greatest determination, exert utmost efforts, and wholeheartedly rely on the working class to improve large and medium-sized state-owned enterprises through every possible means. This year, we will adopt the following measures. First, we will conscientiously disseminate the experiences of the First Light Industrial General Corporation, add impetus to the adjustment of the industrial composition and product mix in coordination with the adjustment of the functions of urban land use, and optimize land resources to lead enterprise development. Second, we will accelerate reform of the social security system, improve the external environment for the production and operation of enterprises, conscientiously reduce the burden on enterprises, and facilitate the transformation of their operating mechanism. Third, we will continue to increase investment, organize forces to tackle major scientific and technological difficulties, and expedite enterprises' technical transformation. We will consolidate and develop those with large profits and taxes and give them preferential treatment in terms of policies and funds so that the number of such enterprises increases. Fourth, we will apply the leadership responsibility system to the study of the different conditions of the enterprises which lose money or earn meager profits and adopt measures commensurate with their specific conditions to promote their development. Enterprises capable of reducing deficits and increasing profits should be supported so that they can extricate themselves from the difficult situation and achieve development. Those which hold no promise of reducing deficits and whose assets cannot pay off their debts should close, suspend production, merge with others, or change their production lines more rapidly, and, after experiments, some of them should go bankrupt according to law. Meanwhile, the life and reemployment of their staff members and workers of should be properly arranged. Fifth, we will formulate policies to bravely lead enterprises out of their difficult situation through diverse production, joint management, introduction of funds from abroad, "multiple systems at one plant," and the shareholding system. Sixth, enterprises should make painstaking efforts to

improve themselves, strengthen management, lower production cost, reduce material consumption, and pursue better efficiency through better management.

**B. Focusing on Infrastructural Facilities and Residential Housing Construction, We Should Accelerate Urban Construction and Greatly Strengthen Management of the City.**

In urban construction, we should take the overall plan and the written reply of the State Council as the guide, consider it a requirement to build a modernized international city, and persist in the two strategic shifts, namely shifting the focus of urban construction from the city proper to outer suburbs and shifting the focus of the construction of city proper from building new projects to adjustment and renovation. This is the key to raising the urban and rural modernization level.

Infrastructural facilities are the prerequisite which the city relies on for its survival and development. The earlier and more actively we pay attention to them, the better it will be. We should concentrate efforts on weak links and strive for new breakthroughs. We should attach great importance to and achieve success in the development of the power industry of the capital. To make sure that shortage in power will be eliminated by the end of 1995, we year step up cooperation with the Inner Mongolia Autonomous Region this year in power development projects and the construction of the Shijingshan Power Plant, the Mingling pumped-storage hydroelectric station, and other power projects. We should continue to promote road construction and, within this year, complete the renovation of the northwest third ring road and the Fushi Road, the construction of the sidewalk facilities on Changan Street, and the construction of the Jingtong, Jingzhang, and Shunping highways. The Beijing West Railway Station should take an initial shape within this year, and double tracking of the eight subway lines should be accelerated. The second-phase project of the No. 9 Water Works should be completed. Key gas and heat supply projects, such as the gas increase of the coking plant and the expansion of the Zuojiazhuang Heat Supply Plant, should be made successful to increase fuel gas consumers by 120,000 and increase the floor space with central heat supply systems by 2 million square meters. We should step up the beginning stages of preparations for the supply of natural gas from Shaanxi, Gansu, and Ningxia to Beijing and the project to "divert water from the south to the north." We should greatly develop post and telecommunication, change all the switchboards in urban and outskirt areas into program-controlled ones within this year, and increase urban telephone subscribers by 300,000 to alleviate the difficulty in "installing telephones."

Only a secure life can guarantee a happy life. Improving the housing conditions is the strong desire of the broad masses of people and the key to realizing a better life is one of the priorities of the government work of this year. Recently, Beijing has continued to build a great number of residential houses, but is still far from meeting the

needs. At present, a considerable number of residents in cities and towns are living in a crowded place with very poor conditions. We must step up our efforts to implement the project of building houses with sound conditions. This year, the houses which are completed and commissioned and with sound living conditions must not be less than 300,000 square meters. Continued efforts should be made to grasp the renovation of dangerous and old houses and the development of new housing communities, and gradually increase the proportion of housing construction projects in outlying and suburban areas, especially in satellite cities. The completed housing areas during the year should exceed 6.5 million square meters. It is necessary to guarantee the quality of construction projects, pay great attention to solving the problems of residents in the supply of electricity, gas, water, heating, communications, and telecommunications, and ensure that, in the course of building new houses, the main part of a construction project and the urban administrative service facilities are built simultaneously. While doing a good job in building residential houses, we should continue to deepen reform of the housing system in an effort to accelerate the pace of solving the housing problems of residents in cities and towns. We should strengthen efforts to grasp the building of key public facilities. In building new projects in the cities, we should pay attention to protecting the style of the old capital and manifesting the spirit of the times, national traditions, and local distinctive features.

The work of making the environment green and beautiful and raising the quality of the environment is the basic urban construction project which must be grasped with unremitting efforts. This year, in order to realize the objective of making the municipal forest coverage rate reach 40 percent by the end of this century, we should extensively, deeply, and solidly, conduct all-people voluntary tree-planting activities, continue to build tracts of forests to separate the city from other localities and sanitation protection forests, and plant trees along 15 roads, including the third ring road, and residential areas, such as Fangzhuang. In the suburban areas, we should plant trees on barren hills, beaches, and areas plagued by wind and sand, make the overall environment green, and actively develop flower industry. It is necessary to punish in line with law acts of misappropriating green areas and damaging forests and green projects in an effort to check the seizure of green isolated areas. We should attend to the building of key projects, such as the second phase of the Gaobeidian water disposal plant project, Asuwei trash disposal area, and other environmental protection projects, do a good job in cutting off the polluted water of Liangshui He and harnessing the Tonghui He, further improve water, air, and sound pollution, and strengthen the pollution-free disposal and comprehensive use of wastes and discarded things. On the basis of improving the environment, we should strengthen the building of water conservancy projects in urban and rural areas and the protection of natural resources.

Without well-organized scientific management, it is impossible to realize the objective of building a modern, international city. Particularly under the situation in which the pace of urban construction is being accelerated, we need all the more to strengthen urban management. Planning is the "dragon head" of construction. We must follow the plan in carrying out construction projects, strictly follow the construction procedures, never yield to those who carry out unauthorized construction projects, and strictly punish them. We should improve traffic routes, strengthen traffic management, strictly enforce traffic laws and regulations, and maintain good traffic order. We should rely on the masses of people and professional law-enforcement departments, give full play to the functions of neighborhood offices, residents' committees and villagers' committees in comprehensive management and service, comprehensively check the acts of arbitrarily setting up stalls, misappropriating roads, and throwing trash on the ground that seriously affect the order of the municipality, and strive to greatly improve the city's appearance and sanitation, and improve the environment of small residential areas. Meanwhile, we should strengthen the building of an urban disaster prevention system, do a good job in meteorological work, and strictly protect military facilities.

C. We should actively develop scientific, technological, educational, and cultural undertakings and promote a comprehensive social progress.

Science and technology are the primary productive forces, economic construction must rely on science and technology, and scientific and technological work must serve economic construction. We should give full play to the scientific and technological advantages of the capital, concentrate efforts on tackling difficult scientific and technical problems, and promote the progress of research, development, and industrialization of high and new technology.

Corresponding policies should be formulated and effective measures be adopted according to new circumstances to promote the development of new technology industrial development and experimental zones. The priorities for scientific and technological reform and development this year are as follows: First, the law on scientific and technological progress should be carried out in an all-round way, and the input in science and technology should increase. Second, effort should be made to establish a new type of structure that is suitable for the development of socialist market economy and for scientific and technological law and that closely combines science and technology with the economy. Efforts should also be made to stabilize the basic research, the research in applied sciences, and the research in new and high technology. Scientific and technological development institutes should be given a free hand and be encouraged to integrate themselves with enterprises in a bid to march towards the markets and enhance their development vitality. Third, scientific research and development should be strengthened, all trades of the



national economy should be armed with advanced technology, traditional industries should be renovated with new and high technology, scientific and technological achievements should be translated into practical productive forces rapidly, and the important role of science and technology in invigorating large and medium-sized state-owned enterprises should be given into full play. Fourth, the scale of industrialization of science and technology should be expanded continuously. The "program for industrializing new and high technology" should be formulated and implemented. With the communications industry, power and electronics industries, computer, and bioengineering as key trades, new technology industrial development zones should guide scientific and technological enterprises to organize groups, carry out shareholding system, industrialize themselves, and march towards international markets. Construction of the biological city of Beijing University and of the power and electronics industrial base should be accelerated. Fifth, positive support and encouragement should be given to create even more and even better popular science works, rich and colorful popular science publications should be initiated, scientific and technological museums should be established, and scientific and technological knowledge should be made universal among the vast numbers of the masses, youths and children in particular.

The strategic principle on developing education on a priority basis should be upheld, and the "program for China's educational reform and development" should be implemented resolutely. With the improvement of educational and teaching quality as the core, the educational reform should be deepened continuously, and more investment should be made in education with a view to promoting the development of educational undertakings. Compulsory education should be run with the government investment primarily, and, at the same time, the society and the people should be encouraged to raise funds to run this education. On the basis of making the compulsory education universal basically, attention should be paid to consolidating and improving the compulsory education, and great efforts should be exerted to resolve the problem concerning the peak of students entering middle schools so as to avoid the emergence of the two-shift system. At the same time, the education at the senior middle school stage should develop vigorously, and various circles in society should be fully mobilized to utilize such modernized communication means as radio and television to develop vocational education, adult education, and all kinds of social education with a view to training practical professionals and the scarce professionals in line with market demands. Higher educational departments should reform the system of running universities and colleges, accelerate the readjustment of the layout of universities and colleges and the structure of disciplines, expand the autonomy of universities and colleges, and positively and appropriately reform the systems concerning enrollment, tuition collection, and graduate employment. The pre-school education and special education should

develop continuously. All schools should persist in the principle of promoting the moral, intellectual, and physical development of students, and should strengthen and improve moral education in order to train competent professionals for the socialist modernization. To vitalize the nation, the hope lies in education, and to vitalize education, the hope lies in teachers. The "PRC's law on teachers" should be implemented conscientiously, and the drawing-up of the detailed rules for implementing this law should be completed by the end of this year. All levels of governments and all pertinent departments should focus their educational investment on building the ranks of teachers with a view to improving remunerations and housing conditions for teachers and raising the social position of teachers. Attention should be paid to teacher-training education to expand the source of teachers, improve the quality of teachers, build up a contingent of teachers who are advanced in ideology, excellent in professional knowledge, and devoted to the people's educational undertakings. The fine habit of respecting teachers and education should be formed throughout the society in order to make teaching an occupation most respected by the people.

Economic development depends on science and technology. Scientific and technological competition depends on skilled persons. We should bring into full play Beijing's advantages of having a galaxy of talents, adopt various forms and ways to cultivate a large number of specialized talents and laborers with modernized production techniques, and cultivate a group of academic and technical leaders spanning this century and the next. It is necessary to combine the cultivation of skilled persons with the reasonable use of skilled persons. We should boldly break rules to select and promote the skilled persons with prominent contributions, give heavy awards to them, give priorities to improving their working and living conditions, and create environments and conditions for bringing into full play the skilled persons' talents and having the people of talents coming forth in large numbers. We should continue to encourage and attract overseas skilled persons to serve the modernization of the motherland and the capital.

Beijing is a cultural center of the country. So, Beijing's standards for developing cultural undertakings must be high, and the cultural undertakings should be developing rapidly. The governments at various levels must pay high attention to cultural undertakings and enthusiastically support the cultural departments' reform and development. Each and every principal leader of the municipality should directly establish contacts with a literature and art organization to deeply conduct investigations and study and solve the practical problems cropping up in literary and artistic development. Priorities should be given to supporting and protecting the national cultural essences, excellent lofty and refined arts, and high-value academic works. This year, literary and artistic, press and publication, and radio and television departments should strive to select another group of excellent works enthusiastically singing the praises of reform, opening



up, and modernization. It is necessary to bring into full play the functions of libraries, cultural centers, museums, exhibition halls, scientific and technological centers, and archives. We should accelerate the construction of such cultural facilities in the capital as libraries. We should continue to achieve the scientific protection and reasonable utilization of relics and appropriately open and also ceaselessly perfect the relic markets. We should positively conduct various forms of healthy mass cultural activities and enliven the urban and rural people's cultural activities. We should strengthen the management of cultural markets according to laws, wipe out feudal superstition and pornographic audio-video tapes and books, and purify the cultural environment.

We should carry out the policy of putting prevention first in medical work and further develop medical and public health undertakings. We should mobilize all social forces to further extensively conduct the patriotic and public health campaign of "striving to create a sanitation city." We should effectively control the occurrence of major infectious diseases and strictly examine the hygiene of food production and management units. We should positively achieve the medical work of the rural areas, develop the rural cooperative medical treatment system, consolidate three-level medical treatment and health care networks, and realize the target that everyone enjoys primary health care. We should persist in the construction of rural medical institutes and hospitals in the rural areas and fundamentally change the situation that the rural areas, particularly border, remote, and mountain areas, lack doctors and medicines. It is necessary to promote the reform of the medical treatment and public health spheres, to strengthen the improvement of medical ethics, and to upgrade the medical treatment quality and the medical service level. We should positively support the development of the undertakings for the handicapped. We should realistically achieve the work toward the aged people. We should conscientiously implement the regulations on family planning, particularly strengthen the management of birth control among the floating population and the people in the rural areas, persist in healthy birth and sound upbringing, and continue to control the population growth rate.

We should positively explore the reform of the sports management system in the new situation and promote the socialization of sports. We should extensively conduct the mass sports activities, carry out the all-people health care plan, and strive to upgrade the health quality of the people.

D. We should conscientiously solve the practical problems in the people's livelihood and ensure a stable improvement of the people's living standards.

Ceaselessly upgrading the people's material and cultural lives is the fundamental purpose of developing the socialist economy as well as a point to start with and end the government work. This year, the governments at various levels should focus their efforts on achieving two matters relating to the people's livelihood. First, the

excessively faster increase in goods prices should be controlled. Second, the governments should try every possible means to resolve the living difficulties of the staff members and workers with low incomes.

During a recent period, the prices of the basic daily necessities rose quite rapidly, becoming one of the hot topics for discussion by the people. The party Central Committee and the State Council have attached great attention to this. The municipal party committee and the government believed that after basically decontrolling the prices, we must never give up adjusting and managing the commodity prices, resolutely adopt effective measures on our own initiative, comprehensively apply economic, legal, and necessary administrative means, and try by all possible means to control prices, particularly the rise of prices of farm and sideline products. First, we should implement the system of mayors and district and county heads assuming responsibility, exert strenuous efforts to grasp the "vegetable basket project," expand the production of grain, oil-bearing crops, vegetables, meat, eggs, milk, poultry, fish, and other major farm and sideline products, and guarantee supply and the relatively stable prices. Second, we should invigorate the circulation of commodities, reduce circulation links, reduce expenses, strengthen ties with the producing areas, and attract more commodities to enter Beijing. Third, we should establish and improve the major farm and sideline products storage system and the market risk-taking funds, do a good job in handling and regulating the products, and more promptly and effectively stabilize the excessively high prices. Fourth, we should seize the opportunity and strength of controlling commodity prices. On the premise of guaranteeing the steady issuance of central measures for adjusting prices, it is necessary to strictly control the municipal pricing reform items to be issued this year. Regarding those items which must be issued this year, we should control the range of adjusting prices, properly arrange subsidies for staff members and workers, and carefully organize the implementation of this work. When the changes in the prices of the people's daily necessities and services are too frequent and the range of adjusting prices is too high, the price departments should examine and interfere with this. Fifth, we should conscientiously conduct general price inspection and resolutely and strictly handle in line with law the acts of raising prices without authorization, arbitrarily raising the standards of charges, violating the regulation of clearly marking the prices, arbitrarily raising prices on the excuse of tax increase, and seeking exorbitant profits by raising prices. Meanwhile, it is necessary to strictly enforce laws in the market, and deal strict blows to law-breaking elements and unlawful acts on manipulating the markets and mixing real products with false ones. Sixth, we should give further play to the role of the price analyzing and monitoring system and closely monitor the trend of market changes so that policy decisions can be taken in a timely manner. We should step up efforts to study and formulate laws and regulations to combat the practice of seeking exorbitant

profits and further institutionalize the price management work. We should recognize that the rational price hikes are advantageous to the convergence of commodities in Beijing which is one of centers for establishing contacts domestically and internationally. We should deeply understand the people's concerns and worries towards commodity prices, and while adjusting the prices, strive to push the economy forward in an effort to unceasingly increase the incomes of the urban and rural people and make their increase in incomes higher than the increase in prices. Our task is to enable the people of various nationalities across the municipality to attain the well-off level of moderate prosperity ahead of schedule and to reach common prosperity through long-term and unremitting efforts.

At present, there are two kinds of people whose income enhancement is slow and the living is fairly difficult. The first kind of people are the low-income workers in cities and towns, which are mainly concentrated on difficult plants, shops, and schools, and the retired workers and residents who have no working ability. Regarding this kind of people, we should raise their living standards through various channels, such as deepening reform, developing production, carrying out diversified undertakings, raising economic efficiency, supporting them in terms of policies and giving them necessary subsidies. The second kind of people are the difficult households living in outlying remote mountainous areas. They are living in scattered places with poor production conditions and low ability to combat disasters. Regarding this kind of people, we may guide them to march towards prosperity by developing the mountain resources. Some of them may become prosperous by moving to the plains to participate in production labor. Support and relief should be given to a small number of people who cannot find a way out for the time being.

The affairs of cooking wood, rice, cooking oil, salt, clothes, foodstuffs, housing conditions, and transport means, are the big events related to the basic life and immediate interest of the people. Governments and leading cadres at all levels should must attach great importance on these events, show concern at all times for the weal and woe of the masses, and adopt every possible way and means to help the mass overcome their difficulties. As for the problems that cannot be dealt with at present, they should also present an explanation in a timely manner to obtain the understanding of the mass and actively create conditions for gradually dealing with them. Improving the people's lives represents a long-term and gradual process. We should uphold the socialist principles and policies on distributions to correctly deal with the relationship between immediate and long-term interest and between partial and whole interest. By proceeding from the conditions of the municipality and the country, we should carry forward the spirit of pioneering careers arduously, working industriously, and practicing economy; and vigorously guard against extravagance and waste. Showing concern for the people's lives represents a duty-bound task undertaken by

governments at all levels. Therefore, we must make all-out efforts to resolutely and successfully implement the task.

E. We should continuously deepen the reform and accelerate the establishment of socialist market economic systems.

The Third Plenary Session of the 14th CPC Central Committee formulated the overall plan for establishing the systems of socialist market economy and a series of important measures for reform have been successively issued. We must resolutely implement them, ensure the smooth enforcement of them, and strive to achieve substantial progress in the following aspects:

First, we should further deepen the enterprise reform and accelerate the establishment of modern enterprise systems. By closely following the target of shifting the management mechanism of enterprises, we should actively explore the effective way of establishing modern enterprise systems. Except for the enterprises assigned by the state for taking up the pilot work in this regard, various industries and trades across the municipality should select a large number of large and medium-sized enterprises to take up the pilot work. By bearing the reality in minds we should earnestly popularize the experience gained by the First Light Industrial General Corporation in the comprehensive associated reform so as to promote the increase of assets' value, the transfer of industries, the shifting of mechanism and function, and the transfer of staff members and workers. Efforts should be made to broaden the pilot work of reform in the shareholding system and to actively and adequately conduct the work of having stocks enter markets. An emphasis should be placed on developing a large number of transregional and transtrade large enterprise groups, chain enterprises, and comprehensive shopping centers that are with the public ownership as the mainstay and the property right combination as the link. The state-owned small enterprises should continue to conduct multiple reforms in having the state-owned enterprises run by civilians, enforcing contract and rent systems in enterprise management, establishing shareholding system, and conducting auction of property rights. Based on knowing well the property rights, the collectively owned enterprises in urban areas should conduct reform by adequately selecting the organizational style of enterprises. Efforts should be continuously made to push forward the optimization and reorganization of labor forces, which have been proved as effective; and to deepen the reform among the enterprise internal systems of labor affairs, personnel affairs, and distribution. Meanwhile, we should reinforce the managerial organs of state assets at municipal and district-county levels; explore rational form and ways for the management and business of state assets; and ensure the state assets to increase their value and the right and interest of state assets not to be infringed. While promoting the development of the state and collective economies, we should

encourage the development of enterprises run by individuals, private units, and foreign firms; and enhance the management over them in line with the law.

Second, we should regard as an emphasis the fostering of markets for major factors of production and accelerate the establishment of market systems. While continuously improving the markets of consumer goods in various categories, an emphasis should be placed on developing a large number of large wholesale markets with multiple functions and comprehensive character. Efforts should be continuously made to develop or improve financial markets that are chiefly in charge of raising funds and to enliven the channels of fund raising. We should establish markets for the transaction of property rights to promote the circulation and value increase of capital. Efforts should be made to further perfect the markets of real estate and to strictly conduct management over them to ensure the profits of state land. We should broaden or improve the labor force markets and perfect the service systems for job seekers. We should also arrange to establish central markets with multiple functions for technical talks and standardized information markets. Efforts should be made to actively and adequately conduct the pilot work for establishing the markets of futures and to vigorously develop intermediate organizations for various markets. We should perfect the market regulations and rules, maintain the market order, strictly standardize and supervise marketing acts, oppose to abnormal competitions, resolutely punish in line with the law the production and sale of fake and substandard-quality products, and protect the legal rights and interest of producers and consumers.

Third, we should actively promote the reform of the departments in charge of overall economic management and establish and improve more rapidly the system for overall economic regulation and control. In-depth reform of the tax system should be conducted in a down-to-earth manner. On the premise that the vested interests of districts and counties are not affected, the municipality will apply the revenue-sharing system to districts and counties, levy taxes according to the new tax system, making accounts according to the old system, and do a good job in the coordination between the new system for the distribution of state-owned enterprises' profits and the original contract system. Enterprises which ask to continue the agreements on their respective methods for reform may continue to implement the agreements until 1995 after obtaining approval by the municipal government. Regarding the government-approved tax reduction or exemption projects or enterprises enjoying tax reduction or exemption whose reduction or exemption term has not expired, they should be reexamined and affirmed by relevant state departments according to regulations, and the method of "levying taxes first and then refunding the taxes" should be applied to them. We should actively support the separation between the policy lending and commercial lending of banks and steadily promote the transformation of specialized banks into commercial banks. We should

greatly develop local banking insurance business and establish the Beijing Development Bank, the Merchants Bank, urban cooperative banks, rural cooperative banks, and, after State Council approval, two or three joint venture banks and foreign-funded banks. We should establish the Beijing securities exchange center as soon as possible and strive for opening of a few local securities companies. We should clarify the major investors and corresponding scope of investment, standardize the investment activities, and explore the new investment and lending methods. We should strengthen the overall regulation and control over the economy. The focuses are as follows. 1) The regulation and control over funds. We should resolutely implement the State Council regulations on strictly controlling the scope of fixed asset investment, strive to make the investment pattern more rational, and concentrate financial resources on key construction projects. 2) The regulation and control over the market. We should improve as soon as possible the reserve and regulatory systems for the important commodities that have a bearing on the national economy and people's livelihood and the special risk fund, enhance the government's capacity and means to regulate and control market prices, and ensure the thrivingness and relative stability of the market. Meanwhile, we should strengthen the statistic, monitoring, forecast, and warning systems for the economic operation of the entire municipality and gain the initiative in the regulation and control.

Fourth, we should accelerate the reform of government organizations and realistically change the functions of the government. We should follow the principle of separating government functions from business management and the principle of simplifying structures and promoting unity and efficiency to do a good job in defining the government functions, number, and size, step up the work to dismiss temporary personnel and those on loan and disband temporary and overlapping organizations, and complete the reform of the municipal-level government organizations within this year. Meanwhile, we should do a good job in the reform of county-level organizations. Through the reform, governments at all levels should promote the transformation of their own functions, improve their work styles, and raise their work efficiency. In the management of economic work, in particular, we should devolve to enterprises the work within the scope of their autonomy and to the market the issues that should be handled by the market and give full play to the role of trade associations, chambers of commerce, and other intermediary organizations of the market so that the government can truly shift its work focus to macroeconomic regulation and control, overall coordination, and social administration. We should intensify the training of government personnel at all levels and continue the good job in the transition to the state public service system.

Fifth, we should greatly promote the social security system. We should improve the methods for the calculation and distribution of basic pension, establish the



mechanism for the normal increase of retirement pay, and gradually implement the socialized management of retire staff members and workers. We should earnestly summarize and disseminate in a timely manner the experiences of Xicheng District, continue to improve the free medical care and the reform of the labor insurance and medical administrative system, and promote the experiment with the overall planning for the medical fees for the serious diseases of enterprise staff and workers and with the special account of the medical funds of individual staff and workers. We should improve the unemployment insurance system, institute the system more extensively, fix a minimum wage requirement, ensure the basic life of the personnel who lose their jobs, and conduct various forms of employment training to provide favorable conditions for their reemployment. We should strengthen the collection and management of social insurance funds and explore the ways to maintain and increase their value. We should continue the reform and development of social welfare, social relief, special care to disabled servicemen and family members of revolutionary martyrs and servicemen, rural old-age insurance, and other social security undertakings.

F. We should positively use foreign capital and further expand the scale of opening to the outside world.

Using foreign capital should continuously be regarded as the most important issue of opening to the outside world. New breakthroughs should be made in the foreign investment scales, spheres, and forms. Foreign businessmen should be guided to concentrate their investment on transforming old plants, developing the tertiary industry, building urban infrastructural facilities, and developing the well-being project. We should positively adopt various forms conforming to the international practice to attract multinational companies to build and cooperatively manage large-sized key projects. We should ceaselessly improve the investment environment, accelerate the planning and establishment of the modernized port system of the capital, and firmly attend to opening the railway and highway ports with conditions to the outside world. The investment examination and approval procedures should be simplified, a treasury of projects which are prepared for foreign investors' selections should be established, the local economic regulations on the economy involving foreign nationals should be perfected in a timely manner, and the management of three types of foreign-funded enterprises should be strengthened according to laws so as to increase the amounts of capital introduced, the business opening rate, and the economic results. We should positively strive for and also well use foreign loans and continue to do a good job in introducing technologies, skilled persons, and managerial work.

It is necessary to steadily promote the construction of various categories of development zones and small industrial zones. The Beijing economic and technological development zone should emulate the successful

experiences gained by brotherly provinces and municipalities; set up a completely new high-efficient operational and managerial mechanism that conforms to the international practice; concentrate human, material, and financial resources to achieve the short-term construction and the long-term planning; and form appropriate scales as soon as possible. The new-tech industrial development experimental zone should continue to deepen the reform of the managerial system, bring into play the advantages of scientific and technological industries, pioneer channels for movement of capital, improve the investment structure, and accelerate the pace of industrialization and internationalization. The small industrial zones of districts and counties should positively assimilate foreign capital and domestic capital and step up development and construction on a large scale.

We should firmly attend to the reform of the foreign trade system and continue to expand foreign economic relations and trade. A foreign trade operational mechanism and a foreign trade managerial mechanism that suit the general rules for international economy should be set up as soon as possible. We should set up the Beijing import and export credit and investment company, organize and set up an organization for management of state-owned assets of economic and trade departments, and set up a foreign trade development fund so as to expand foreign economic relations and trade. We should continue to delegate the right to management of imports and exports to the enterprises with conditions, widely open domestic goods resources channels, widen the international market, increase the proportion of advantageous commodities and machinery and electronics commodities in the total export commodities, and ensure that the annual export value should reach \$1.83 billion. We should vigorously develop the tourist trade, the foreign service trade, and the export of technologies and laborers, and form a new pattern of gaining foreign exchange from all-round development of both trade and nontrade. We should continue to run overseas enterprises; develop a group of internationalized, industrialized, and institutionalized trading companies. Coastal and border areas as well as the areas along the rivers are encouraged to develop nongovernmental trade activities.

We should positively expand friendly contacts with foreign countries and establish, step by step, friendly contacts with the capitals and large cities of increasingly more foreign countries. The Sixth Far East and South Pacific Sports Meet for the Handicapped will be held in Beijing this September. The Fourth World Women's Congress will be held in Beijing in September 1995. These are two international grand meetings that can produce great impact. Time is pressing, and the tasks are heavy. From now on, we must pay high attention to them, carefully make preparations, and ensure the successful convocation of these meetings.

G. We should persistently carry forward democracy, administer the municipality strictly according to laws, and further strengthen the construction of the socialist democracy and the legal system.

The construction of the socialist democratic politics is one of the basic contents of the socialist modernization. We must wholeheartedly rely on the working class and the broad masses of the people, fully carry forward democracy, and perfect a system of making policy decisions more democratic and scientific. The capital's major policy decisions on modernization and reform should be made by extensively listening to the masses' opinions and consciously accepting the supervisions by the people's congresses, their standing committees, the people's deputies, and the broad masses of the people.

We should further widen the channels for having CPPCC members, democratic party members, and non-party personages to participate in and discuss political affairs; and report important situations in a timely manner. We should pay full attention to trade union organizations, Communist Youth League organizations, women's federations, some other mass organizations, and especially invited persons' role as a bridge and a link; bring into play the supervisory functions of the mass media; and clear and widen the channels for linking the governments with the masses. We should continue to perfect the system of soliciting the people's opinions and persist in the system of holding seasonal forums attended by science professionals, technicians, and specialists. We should do a good job in receiving visitors, handling incoming letters from the masses, and answering phone calls to the mayor; strengthen the construction of grass-roots political power; and perfect the enterprise democratic management system and the urbanite and villager autonomous system. We should bring into full play the positions and roles of the neighborhood committees and villagers committees in building the grass-roots democracy and realistically safeguard the people's democratic rights to managing national, economic, and social affairs according to laws. We should comprehensively implement the party's policies toward nationalities, deeply launch the campaign of unity among various nationalities and national progress, and promote economic and cultural development of the streets and villages inhabited by the minority nationalities. We should further implement the policies on religions and unite with and guide the personages of the religious circles to contribute to the construction of the capital. We should fully understand the importance of Overseas Chinese affairs and the work toward Taiwan and bring into full play the peculiar advantages of these departments as well as the broad masses of Overseas Chinese and Hong Kong, Macao, and Taiwan compatriots' irreplaceable functions for doing the work in the political, economic, and cultural spheres and for establishing contacts with foreign countries.

There must be perfect systems to standardize and safeguard the setup and perfection of the socialist market economic system. We should sum up and popularize the good examples and experiences in administering municipal affairs according to laws and upgrading the level of administering municipal affairs according to laws. It is necessary to accelerate the pace of administrative legislation. This year, 18 draft rules and regulations are

planned to be submitted to the municipal people's congress for examinations. The rules and regulations that are not suitable to the requirements for the socialist market economy should comprehensively be sorted out. The enforcement of administrative laws and the supervision over the enforcement of laws should be strengthened and improved. The governments at various levels should do administrative affairs and handle affairs according to laws and resolutely correct the phenomena of not observing laws, not strictly enforcing laws, and not investigating law-breakers. We should set up and develop law service organizations and cultivate a large number of qualified persons with knowledge of laws. We should strengthen the management of law enforcers and upgrade their quality. We should continue to expand the trial implementation of the system that people's policemen go the rounds to inspect the enforcement of laws. We should adopt various forms to strengthen the propaganda and education on the legal system, popularize the general knowledge of laws, and enhance the citizens' awareness of laws.

H. We should persist in the policy on taking a two-hand approach and being sure that both hands are tough and vigorously strengthen the construction of the socialist spiritual civilization.

To build the first-class socialist modernized international city, we must have not only a high degree of material civilization but also a high degree of spiritual civilization. The focal point of the spiritual civilization is to arm the leaders at various levels and the people of various nationalities in the municipality with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and to mobilize the broad masses of the people's enthusiasm for fighting for the realization of the grand goal of socialist modernization. In line with the 45th anniversary of the founding of the PRC, we should deeply conduct the education on patriotism, collectivism, and socialism and educate new persons with ideals, education, morality, and a sense of discipline. We should hold high the main melody of socialism and persist in an accurate mass media orientation. In the course of setting up the socialist market economic system, we should lay particular stress on ideals, discipline, unity, and the overall situation. We should positively guide the broad masses of the people in the municipality, particularly the youngsters, to foster an accurate outlook on life and value and to oppose money worship, out-and-out egoism, and corrosive ways of life. We should further enhance the "awareness of the capital;" and unswervingly launch the activities of "learning from Lei Feng and fostering new practices," "of creating civilized cities, building civilized units, and being civilized citizens," and of assessing and selecting good citizens emerging from being ready to take up the cudgels for a just cause." The leading organs and leading cadres at various levels should positively organize forces and be the first to participate in social welfare activities. It is necessary to vigorously commend heroes, model figures, and the lofty ideas and heroic activities of learning from

Xu Honggang. We should strengthen the education on social morality and professional ethics and strive to form good social practices of being patriotic, respecting jobs, diligently engaging in study, being united and friendly, being happy by helping the people, supporting the people in danger and with difficulties, being ready to take up the cudgels for a just cause, respecting the old, and cherishing the young.

We should conduct double-support work in a down-to-earth manner, promote unity between the Army and the government and between the Army and the people, and continue to strengthen national defense education and militia reserve-duty work. In the activities on building civilized residential areas, we should give priorities to improving the living environment, perfect the social service, and maintain a stable and good social order and a clean and beautiful living environment.

I. We should resolutely safeguard a political and social stability in the capital.

Stability is the guarantee for smoothly carrying out reform and the modernization drive. Without stability, we will have no way of doing anything, and economic development as well as improvement in the people's living will vanish like soap bubbles. Stability in the capital is particularly important because it directly affects the whole country. We must safeguard stability in the capital as we cherish our own eyes, and must grasp stability as a task of prime importance during this year.

This year the reform strength is big and the development tasks are heavy. Under the situation in which the relations of interests and the patterns are being changed, all sorts of new contradictions will emerge. We must pay full attention to this. Before the issuance of all major reform and development measures, we must make good preparations, estimate the problems that may possibly occur, give play to the advantages of ideological and political work, properly handle contradictions, and prevent them from becoming more acute.

We should also recognize that the hostile forces and elements inside and outside the territory are still awaiting chances to launch subversive and sabotage activities. We must never lower our guard on this. We must carefully guard against this, resolutely punish them strictly in line with law when discovered, never be soft-handed, eliminate all hidden perils during the budding stage, and never allow them to wantonly create troubles.

The public security problem is also a problem which the masses of people are universally concerned about. We should mobilize forces from all sectors and actively strengthen the comprehensive management of public security. It is necessary to uphold the principle of "regarding lookout on public security as the mainstay, dealing blows to specific cases as the priorities, and give simultaneous attention to attack and prevention and to both radical and stopgap measures," strictly implement the system of responsibility for comprehensive public

security management, deal strict blows to all sorts of serious criminal crimes and economic criminal activities, resolutely eliminate all sorts of social repulsive phenomena, and strictly punish criminal elements in line with law. At present, special efforts should be made to intensify management over the inflow of transients and at the juncture of cities and towns, and further enhance the people's sense of safety. It is necessary to strengthen the building of public security, judicial and other administrative law enforcing contingents, replenish their strength, improve equipment, strengthen political and professional training, and unceasingly enhance the law enforcing capacity and level.

J. We should deeply conduct the anticorruption struggle and realistically strengthen administrative honesty and diligence.

The anticorruption struggle is a major matter affecting the success or failure of reform and development and determining the rise and fall of the party and the country. Although we achieved the expected results last year, it is impossible to radically eliminate the soil and conditions for breeding and spreading corrupt phenomena within a short period of time. We must fully understand the urgency, arduousness, complexity, and protractedness of the anticorruption struggle, uphold the principle of "first, be resolute, second, be enduring, and third, achieve expected results," and deeply and continuously conduct anticorruption in line with the central plans.

This year the priority of anticorruption is to make continued efforts to conscientiously implement the three tasks proposed by the central authorities. First, leading cadres at and above the section level must act strictly in accordance with five stipulations proposed by the central authorities last year and the new five stipulations put forward this year, conscientiously conduct self examination and self correction, give priorities to solving problems emerged in merging enterprises, buying and selling stock, buying and borrowing cars in violation of stipulations, and using public funds to furnish one's own houses above the set standards, and strictly implement these stipulations in our future work and living. Second, we should concentrate efforts on investigating and handling major and appalling cases with emphasis on investigating and handling cases involving leading cadres who engage in corruption and bribery and abuse their powers to seek personal gain, cases involving law and discipline enforcing personnel who act wrongly out of personal consideration, engage in malpractices, take bribes, and bend the law, and cases on law and discipline violations involving the legal entities.

Once a case is discovered, it should be investigated and dealt with immediately without any tolerance. All departments and units should be forbidden to interfere with the investigation and punishment to major and appalling cases. Those who intercede for somebody else should be seriously criticized and educated, and those who shield criminals should be resolutely punished. All



levels of governments should guarantee the investigation of and the punishment to criminal cases in manpower, material resources, and expenses. Third, correction of unhealthy trends of trades should be strengthened. The charges already announced to be abolished should be abolished resolutely, and on no account should these charges be restored secretly. The system of "imposing supervision card over exaction of charges" should be tried out, and the regulation of separating the exaction of administrative fees from the revenues of fines should be carried out. Pertinent departments of the municipality should strictly examine and approve functionaries' official trips to foreign counties and regions, and the trips that are proven unnecessary should all be banned. The unhealthy trends bitterly complained by the masses, such as abusing one's power to seek personal gain, extorting money from masses, pocketing a portion of masses' benefits, and utilizing one's power, post, and monopoly position to force the masses to buy or sell something and to collect fees from the masses, that are committed by a small number of persons of law enforcement departments, supervisory departments, managerial departments, and public service departments, should be regarded as the major targets of the anticorruption campaign and efforts should be made to achieve practical results.

The anticorruption campaign should be subject to the policy of opposing and correcting simultaneously, opposing and building simultaneously, and paying equal attention to root cause and signs. In-depth research should be made for the source and soil that may give rise to corruption. Efforts should be made to perfect systems and regulations and to strengthen supervision in order to gradually establish the mechanism that can prevent corrupt phenomena from emerging and spreading. At the same time, we should depend on the masses to check corruption and combine the masses' reports with the investigation and handling of special organs. Those who report on corruption cases should be protected, and those who make contributions to reporting on corruption cases should be commended and awarded. The role of democratic parties and non-party figures should be brought into full play. These parties and figures should be organized to participate in the anticorruption campaign, and their opinions and suggestions should be heard conscientiously. Law and discipline enforcement departments, such as judicial, auditing, and supervisory departments, should report anticorruption situation to the masses in a time manner and should voluntarily subject themselves to the supervision by the masses. Typical cases should be made public to educate cadres and the masses.

Administrative honesty should be closely combined with administrative diligence. Wholeheartedly serving the people is the fundamental purpose of the government work, and honestly performing official duties and diligently serving the people are the most fundamental demands on all state functionaries as well as the code of conduct that all state functionaries must observe. While

developing the socialist market economy, we should on no account introduce the principle of commodity exchange to the political affairs activities of state organs and should not strike a deal between power and money. At the same time, we should not tolerate such behaviors as being indifferent to the masses, being irresponsible for work, being dilatory in doing things, and shifting responsibility onto others. All the dereliction of duties by state functionaries should be investigated and held into account. To improve work style and work efficiency, working personnel of governments at all levels, leading cadres in particular, should strive to study more, engage in fewer social intercourse, look into real situation, engage in tangible deeds, tell the truth, guard against boasting and exaggeration, stress on quality and efficiency, take the overall situation into account, observe discipline, and conscientiously fulfill duties. The vast numbers of the masses bitterly hate corrupt phenomena. They are concerned with and take an active part in the anticorruption campaign, thus manifesting their great trust and ardent expectation on the people's government. We should never let the vast numbers of the masses down by profoundly and persistently carrying the anticorruption campaign through to the end without any deviation.

Fellow deputies: Tasks for 1994 are very heavy. To fulfill the target of this year, we must further emancipate our minds; break the fetter of ossified and out-dated concepts by closely following the center of economic construction; resolutely overcome the blindness, complacency, and passiveness; boldly engage in exploration; and bravely create something new. Current conditions both at home and abroad are very favorable, therefore, we must firmly size the precious historical opportunity by displaying the spirit of racing against time and concentrate our efforts on wholeheartedly and successfully conducting economic construction so as to strive to achieve faster and better development.

Investigation and study represent the basic work undertaken by governments, the basic quality possessed by leading cadres, and the bridge that links the theory with the reality. Only by deeply carrying out investigation and study can we deeply understand the conditions of the municipality and the country; grasp the general and special laws of developing various undertakings; foster the scientific spirit of seeking truth; truly grasp the right of voicing opinions, exercising leadership, and making policy decisions in the government work; seize the major contradiction and crucial link that exert decisive influence on the whole situation; and concentrate our efforts on making breakthrough in key projects to push forward the overall development of work in various fields. The people will not be satisfied with the vague generalization and the unchanged style of things. We should regard the hot problems for which the masses have shown great concerns and the difficult problems cropping up in the work as an emphasis of investigation and study and formulate plans for implementing the investigation and study work. All leading cadres should define units at

grass-roots levels for their investigation and study operation; learn about their situation frequently; actively help these units deal with their problems; and bravely stand on the forefront of reform, opening up, and economic construction to exercise the leadership over the great change.

The deepening of reform and opening up and the development of modernizations urgently require the working personnel, particularly leading cadres, of governments at all levels to work hard; to successfully conduct study in a down-to-earth manner; and to consciously apply the scientific theory to directing the practice. Focal points for the work this year are as follows: 1) A good job should be done in studying the third volume of "Deng Xiaoping's Selected Works" and in arming themselves with the socialist theory of building socialism with Chinese characteristics to unify our thinking and action. 2) We should earnestly study the decision made at the Third Plenary Session of the 14th CPC Central Committee, the important reform measures issued by the central authorities, and the basic theories and knowledge of socialist market economy. 3) We should study the legal knowledge and enhance the sense of laws and the capability of handling problems in line with the law. 4) We should vigorously grasp the necessary knowledge in science, culture, and specialized fields for modernizations. Meanwhile, we should uphold the party's mass line; learn from the mass modestly; increase our capability in practice; and upgrade our quality in an overall way in the fields of theory and culture as well as our level in scientific management. The more such cadres we have possessed and the more prospects the capital's undertakings of modernizations will have.

Fellow deputies: The bright future of the capital in reform, opening up, and socialist modernizations has unfolded before our eyes and urges us to score new achievements. The opportunity in this regard is precious, tasks for this regard are heavy, and the road of carrying out these tasks is long. Let us follow the direction guided by the socialist theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics and closely rally round the CPC Central Committee with Comrade Jiang Zemin as the core to open new ideas and to create a new situation under the leadership of the Beijing Municipal CPC Committee as well as to continuously win a new victory in the capital's program of socialist modernizations.

#### **Beijing Mayor Holds Talks With German Industrialist**

OW3004144994 Beijing XINHUA in English 1423 GMT 30 Apr 94

[Text] Beijing, April 30 (XINHUA)—China is ready to enhance economic cooperation with German businessmen, Beijing Mayor Li Qiyang said today while meeting with Dr. Hans-Dietrich Winkhaus, chief executive officer of Henkel KGAA, a leading German manufacturer of chemicals.

Li said that the German firm is welcome to invest in Beijing, especially since Germany is an economically developed country and possesses advanced technological know-how.

A memorandum has just been signed between the firm and Beijing to set up an enterprise, with an investment of eight million U.S. dollars from the German side, to produce glue and chemicals for civilian construction use.

As the world's leading manufacturer of chemicals, the firm's volume of business for 1993 reached 13.4 billion U.S. dollars. So far it has set up six joint ventures in China's Shanghai, Guangzhou and Tianjin cities.

#### **Northwest Region**

##### **Xinjiang Regional Government Head on Anticorruption Efforts**

OW3004122694 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 29 Apr 94

[Announcer-read report over video; from the "Xinjiang News" program]

[Text] Abulaiti Abudurexiti, chairman of the regional government, yesterday afternoon presided over the 25th executive meeting of the Eighth Xinjiang Uygur Autonomous Regional People's Government. The meeting transmitted the guidelines of the State Council meeting on anticorruption and heard reports on the state of the anticorruption struggle launched in this region since August. The meeting also put forward specific demands for anticorruption efforts in various government departments this year.

Zhou Shengtao, member of the Standing Committee of the regional party committee and secretary of the regional commission for discipline inspection; Yusufu Aisha, vice chairman of the regional government; and other leading comrades attended the meeting.

Chairman Abulaiti Abudurexiti said: Since the major policy decision made by the party Central Committee last August on launching the anticorruption struggle, governments at various levels in the autonomous region have attached great importance to launching the struggle and have promptly made arrangements in line with the central guidelines. We have achieved initial good results in the anticorruption struggle. However, we must also realize that the progress of our anticorruption struggle still cannot keep up with the expectations of the broad masses. The problem of the unhealthy tendencies of various trades and professions has not been fundamentally solved, and the people are still making complaints. This shows that the anticorruption task is still very heavy, and so we must further strengthen our leadership over the task.

Abulaiti Abudurexiti pointed out: We must further deepen the anticorruption work this year and grasp the work in a solid manner. First, we must continue to

implement the five provisions put forward by the party Central Committee last year to ensure honesty in performing official duties by cadres at and above the county, department, and bureau level. Second, we must implement the five new provisions put forward by the party Central Committee this year. A small number of leading comrades who have not seriously carried out self-examination must take the initiative to check their own behavior this year. Those who have found irregularities but have not corrected the situation must make corrections in a prompt manner.

Abulaiti Abudurexiti emphatically said: The key for leading cadres' practicing self-discipline and being honest lies in raising their consciousness. They should take lead in implementing the first and second of the five provisions put forward by the party Central Committee. They should adopt effective measures to ensure honesty in performing official duties in light of the existing problems. On the issue of investigating and handling cases of violating law and discipline, we must lay stress on investigating and handling cases of violating law and discipline by cadres of leading organs and judicial, administrative, and economic management departments. We should let the masses see that we are resolved to seriously solve the problem and realize the determination and strength of our party and government in punishing corruption.

In conclusion, Abulaiti Abudurexiti asked leading cadres at various levels to carry forward the fine traditions of the party, be faithful public servants for the people, foster new customs of being honest in performing their official duties, create a good social environment, and make new contributions to accelerating the pace of reform and opening up and to promoting the sustained, rapid, and healthy development of the economy.

#### **Xinjiang To Hold Standing Committee Meeting 3 May**

*OW3004135094 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 29 Apr 94*

[Announcer-read report; from the "Xinjiang News" program]

[Text] The eighth meeting of the Standing Committee of the Eighth Xinjiang Uygur Autonomous Regional People's Congress will begin in Urumqi on 3 May.

The agenda of the meeting include examining the draft revision of provisions for lawyers business in the Xinjiang Uygur Autonomous Region, examining the draft

revision of regulations governing the administration of crop seeds in the Xinjiang Uygur Autonomous Region, examining the draft revision of the mining procedures for mining operations by village and town mining enterprises and individuals in the Xinjiang Uygur Autonomous Region, examining the draft regulations governing the administration of religious affairs in the Xinjiang Uygur Autonomous Region, examining the draft regulations governing the development of individual private enterprises in the Xinjiang Uygur Autonomous Region, deliberating and approving the decision of the Standing Committee of the Urumqi City People's Congress on revising the interim procedures for formulating local rules and regulations of Urumqi City, examining a report by the regional people's government on the state of reform of higher education, hearing an investigation report by Xu Peng, vice chairman of the Standing Committee of the regional people's congress, on the state of the reform of higher education; examining a report by the regional people's government on the state of foreign affairs work, and making decisions on a number of appointments and dismissals.

#### **Xinjiang's High-Tech Development Zone 'Flourishing'**

*OW3004033594 Beijing XINHUA in English 0213 GMT 30 Apr 94*

[Text] Urumqi, April 30 (XINHUA)—Years of effort have brought about the flourishing of the first high-tech development zone in China's northwest frontier.

Located in Urumqi, capital city of the Xinjiang Uygur Autonomous Region, the 9.8-sq-km development zone now has 198 enterprises, including 27 joint ventures.

It created profits worth 110 million yuan (12.5 million U.S. dollars according to the current exchange rate) and handed over 7.5 million yuan (about 850,000 U.S. dollars) to the state in taxes last year.

Local government has invested 80 million yuan (nine million U.S. dollars) in infrastructure construction in the zone.

Construction of infrastructural facilities in a diamond city funded by overseas capital has already been completed.

High-tech sectors of the zone focus on biological engineering, electronic information techniques, electric machinery and chemicals.



**ARATS Invites Taiwan's SEF To Hear Qiandao Lake Case***HK3004045294 Beijing XINHUA Domestic Service in Chinese 1126 GMT 29 Apr 94*

[Text] Beijing, 29 Apr (XINHUA)—The Association for Relations Across the Taiwan Strait [ARATS] has sent a letter to Taiwan's Straits Exchange Foundation [SEF] today inviting the latter anew to send SEF personnel and related experts to Hangzhou to hear briefings by experts handling the Qiandao Lake case.

The letter says that in accordance with the law, relevant departments on the China mainland protect the lives and property of Taiwan compatriots touring, visiting relatives, doing business, and making investment on the mainland. Regarding cases of the lives and property of Taiwan compatriots being infringed upon, the mainland authorities will investigate and deal with them should they take place, and handle them according to the law. The "Qiandao Lake" case has served as an example. In principle, ARATS agrees to exchange views with Taiwan's SEF on incidents jeopardizing the lives and property of mainland and Taiwan compatriots that have occurred now and then in cross-strait exchanges and contacts in recent years. In the wake of the "Qiandao Lake" incident, compatriots in Taiwan as well as on the China mainland have pinned greater hopes on ARATS and SEF pushing forward cross-strait relations. We should work hard to promote the aforesaid discussion's bearing fruit. For this purpose, ARATS has already enthusiastically made suggestions on the agenda and contents in exchanging views.

The letter says that ARATS has already continuously provided SEF with facts regarding the crimes of the culprits and the situation at the scene. Regarding the autopsy reports, verbal briefings will be given when SEF experts arrive in Hangzhou.

**Fourth Suspect in Qiandao Lake Killings Arrested***OW3004083794 Beijing XINHUA in English 0802 GMT 30 Apr 94*

[Text] Hangzhou, April 30 (XINHUA)—[A] fourth man was arrested on Thursday [28 April] afternoon for being involved in the Qiandao Lake accident, in which 24 Taiwanese aboard a tourist boat were robbed and killed.

Wu Liming, the elder brother of Wu Lihong, one of the three suspects directly involved in the crime, was arrested at his home in Xinanjiang town, Jiande city, in east Zhejiang Province for allegedly helping his bother hide part of the robbed money.

Wu Lihong, together with Hu Zhihan, [and] Yu Aijun robbed the 24 Taiwan tourists aboard the "Hairui" boat, then touring the lake in Chunan County, and killed them and the eight staff later in an [act of] arson on March 31. Later they divided the robbed money and articles between them and hid them in their houses.

Several days after the accident, spokesman of the Public Security Bureau of the Chunan County said, Wu Liming learned that his brother hid in home the money and things he had robbed from a pleasure-boat, but instead of reporting that to the authorities, he helped his brother to transfer and hide part of the robbed U.S. and Taiwanese dollars in his own home in Jiande city.

Police had recovered the hidden money in Wu Liming's house, the spokesman said.

The three suspects directly involving in the case of murder were arrested on April 19.

**XINHUA Commentary Says Taiwan 'Undermining Relations'***OW2904145594 Beijing XINHUA Domestic Service in Chinese 1202 GMT 29 Apr 94*

[Commentary by Guo Taiwen (6753 31412429): "The Undermining of the Relations Between the Two Sides of the Taiwan Strait Is Not Popular"]

[Text] Beijing, 29 Apr (XINHUA)—Thirty-two compatriots from the two sides of the strait died in the exceptionally serious case of murder, robbery, and boat destruction which occurred on Qiandao Lake. The people on both sides of the strait feel the same pain for the unfortunate deaths of the compatriots; they are happy that the case has been solved; and compatriots on both sides of the strait are similarly indignant at the crime perpetrated by the suspects. The feelings of our fraternal compatriots cannot be separated.

None of the compatriots on both sides of the strait wanted this unfortunate incident to happen. However, the unfortunate incident has happened. After the grief, the first important thing to do should be to try every means to quickly crack the case and to punish the criminals in order to calm the people's indignation. In fact, the public security departments and other relevant organs in Zhejiang have acted in this way. Under the concern of the Central Committee and the State Council and with the vigorous assistance of the masses, the public security cadres and police worked very hard and cracked the case in 17 days. The people on both sides of the strait felt some relief after hearing this.

However, people have also noticed that after the incident occurred, excitement lingered for quite a while on the island of Taiwan. The Taiwan authorities and the "Taiwan independence" movement seized the opportunity to exaggerate matters and create incidents. Before the case was investigated, they spread all kinds of rumors, created public opinion, and unscrupulously fanned resentment among the people, and after exploiting the incident again and again, they turned a criminal case into a political matter, thus whipping up quite a big upsurge in undermining cross-strait relations.

People have noticed that a person of high standing in Taiwan shouted abuse at the Communist Party by

employing remarks that have not been used in decades. This was clearly an incident committed by bad people, but some people slandered the mainland authorities as "treating human life as if it were not worth a straw and ignoring human rights." This was followed by calls for the temporary suspension of the tourism trade, of commerce, of exchanges, and of cross-strait talks on routine matters, as well as calls for "a boycott" and "sanctions." A small number of "Taiwan independence" elements, thinking that there was an opportunity to exploit, once again openly called for "Taiwan independence."

People cannot but ask: What do they want?

The answer is clear: They want to undermine the good relations between the two sides of the strait.

Developing cross-strait relations to realize peaceful reunification is the common desire of the people on both sides of the strait. In the past few years, it was the common efforts of the people of both sides that have enabled cross-strait relations to develop rapidly. However, it should also be noted that there are some people who go against the desire of the masses. These people do not want to see cross-strait relations continue to develop. They invariably try to find some pretext to stop the relations from developing. After the "Qiandao Lake incident" occurred, they thought that they had found an opportunity to exaggerate matters. Therefore, they brought all their skill into play and staged a vivid performance. However, their performance has thoroughly exposed their true features of undermining the relations between the two sides of the strait.

It should be pointed that some people on the island who did not know the truth acted too excitedly or made excessively improper remarks because of their indignation over the criminals. This is normal human nature. Their frame of mind is understandable. However, there are a small number of people with ulterior motives who vainly attempted to exploit the incited sentiments to realize their despicable purpose of undermining cross-strait relations. The people on both sides of the strait should heighten their vigilance against their scheme.

It is the trend of the times and the desire of the people to realize the peaceful reunification between both sides of the strait. No force can obstruct historical currents. To accomplish the great cause of the reunification of the motherland, the compatriots on both sides of the strait have made unremitting efforts; they have done a great deal of work to promote fruitful interaction through cross-strait relations. Indeed, it has not been easy for cross-strait relations to expand to the present level. All people who hope to see China reunified should cherish cross-strait relations even more and should never allow them to be undermined. A saying goes, "Green hills cannot be hidden, and rivers will flow into the sea." The relations between both sides of the strait were established by hard work by the fraternal compatriots on both sides. Any scheme to undermine the relations will be unpopular.

### Commentary Urges Taipei To 'Calmly Handle' Lake Incident

OW3004153694 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 29 Apr 94

["News commentary" by station commentator (Yu Xin): "To Calmly Handle the Shipwreck Incident"; from the "News and Current Events" program—recorded]

[Text] A tragic disaster on the cruiser "Hairui" in Zhejiang's Qiandao Lake has led to the deaths of all the 24 Taiwan tourists and eight mainland tour guides and crew members. The unfortunate incident has caused deep sorrow among compatriots on both sides of the strait. Relevant mainland departments have quickly solved the case, preliminarily revealing that it was an extraordinarily serious case of robbery, arson, and homicide. Public security organs have arrested three culprits who were connected to the case.

We believe that truths about the case and the results of relevant investigations and handling will be publicized very soon. The tragedy forcefully took away 32 compatriots' lives. We can understand the indignation expressed by family members of the victims. Relevant authorities in charge of handling the incident have heard their opinions and requests, and have rendered appropriate responses as much as possible.

Disasters such as robbery and murder can occur anywhere in the world. All governments have been striving in every possible way to eliminate such disasters in an effort to attain social stability. The Qiandao Lake shipwreck was unmistakably an unfortunate incident that was appalling to people on both sides of the strait. However, some of the authorities in Taiwan simply exaggerated it as a political incident. Taiwan independence elements also seized the opportunity to stir up troubles. A certain person in power in the ruling party on the island even attacked the Chinese communists, likening them to bandits. Inciting people's feelings, such extreme words have directly promoted Taiwan Independence's momentum on the island.

Because the Taiwan authorities purposely politicized the Qiandao Lake incident, some people in the government and nongovernment sectors have seized the opportunity to stir up troubles. They advocated stopping cross-strait exchanges. They decided to suspend cross-strait cultural and educational exchanges and to stop appraising and approving applications of Taiwan investments on the mainland. Beginning 1 May, travel agencies will stop handling people's visits to the mainland.

Taiwan's mass media pointed out: Taiwan does not have the capability [ben qian 2609 6929] to discontinue cross-strait exchanges. To stop handling people's visits to the mainland alone, some 100 travel agencies in Taipei [Taipei] City will lose more than 100 million New Taiwan [NT] dollars.

Taiwan's mass media believe: Both sides of the strait have carried out very comprehensive economic and trade cooperation. Cooperating with the mainland has been beneficial to Taiwan. Now that the case has been solved, the Taiwan authorities should rationally resume cross-strait exchanges and guide cross-strait relations toward a healthy track.

Using the Qiandao Lake incident, the Taiwan authorities have attempted to obstruct normal cross-strait exchanges and visits, to sabotage [po huai 4275 0975] the cross-strait relations that have been established by joint efforts of people on both sides of the strait in the past several years, and to hamper [sun hai 2275 1364] the interests of people on both sides of the strait. People on both sides of the strait will not allow or consent to such activities. Developing cross-strait relations and materializing the reunification of the motherland people accord with the will of the people and the general trend of events. All attempts to move against the tide of history will find it hard to prevail.

#### **Commentary Criticizes Taipei Stance on Qiandao Incident**

OW2904153694 Beijing XINHUA Domestic Service in Chinese 1212 GMT 29 Apr 94

["Commentary" by unidentified XINHUA reporter]

[Text] Beijing, 29 Apr (XINHUA)—After the major case involving robbery, arson, and murder on Qiandao Lake was cracked, the Association for Relations Across the Taiwan Strait [ARATS] sent letters to the Taiwan Straits Exchange Foundation [SEF] twice, on 20 and 23 April, inviting the latter to send personnel to Hangzhou. These personnel will be accompanied by relevant experts who will give briefings on specific situations pertaining to the case and answer questions. We have now found out from Taiwan media reports that relevant Taiwan authorities have been adopting an attitude of procrastination regarding the ARATS invitation. People hold that the Taiwan side has been urging the Zhejiang side to make public the truth about the case after it occurred. Now that the case has been solved, we are willing to give a face-to-face briefing on details of the case and answer questions—in addition to having the ARATS provide the details—but the Taiwan side has intentionally been procrastinating by not coming, and that is definitely not a wise move.

According to the ARATS, replies sent to it by the SEF on 21 and 24 April noted that the SEF is willing to "positively consider" the ARATS invitation, but they also said that before the SEF decides on the time of arrival in Hangzhou and the list of experts who will accompany the trip, the mainland side will have to first provide information on how the crime occurred, an autopsy report, a report on the crime site, relevant exhibits, and answers to questions raised by the Taiwan side about doubtful points on the case.

People have observed that a large number of items mentioned in the SEF replies appear to be preconditions for the SEF's coming to Hangzhou. Despite having paid close attention to details concerning the case and having indicated that it will show understanding toward feelings of the victims' families, the Taiwan side has set up preconditions on its coming to Hangzhou to directly understand the case and hear answers from relevant experts. What is particularly noteworthy is that the SEF has repeatedly asked for "relevant exhibits" and other such materials used in handling the case. Exhibits of a crime are used by public security departments and judicial organs when handling cases and passing sentences. It is hard to understand why the Taiwan side is requesting such exhibits. Actually, ever since the incident occurred, the ARATS has continually informed the SEF about progress made in solving the case. Mainland media have also made numerous reports on the incident. Most of the materials requested by the SEF in its replies have already been given to the Taiwan side, and some information can be obtained directly by coming to the mainland. Why does the SEF hesitate to move forward?

People around here believe that the Qiandao Lake case has invoked grave concern from compatriots on both sides of the Taiwan Strait. The death of 32 compatriots has caused deep pain among the people. We have finally solved the case now, and the murderers will not escape the net of justice. To show its sincerity and dispel misunderstanding, the mainland side has repeatedly invited the Taiwan side to send people over to hear briefings on the case. Its attitude is open and above-board, and shows that it is seeking truth from facts. However, what merits our attention is that a small number of Taiwan people who harbor ulterior motives have politicized the criminal case. These people, who lack interest in information about the case, which is followed closely by Taiwan compatriots and media circles on the island, are only fond of spreading continuously the so-called "questionable points" and attacking the mainland for "concealing" the truth. They are actually trying to continue fanning hostility and poison the cross-straits atmosphere in an attempt to pull back relations across the Taiwan Strait. This matter gives much food for thought for compatriots across the strait, the large number of overseas Chinese, and countrymen residing abroad, who are all concerned about the development of cross-strait relations.

#### **LIAOWANG Terms Qiandao Boat Fire 'Tourist Accident'**

HK2604060594 Beijing LIAOWANG in Chinese No 16, 18 Apr 94 p 48

["Letter from Beijing" by Bao Xin (7637 0207): "Reflections on the Qiandao Pleasure Boat Fire Incident"]

[Text] My dear brother,

I heard an unfortunate piece of news from Chunan County, Zhejiang Province, that on the afternoon of 31



March, a fire started on a pleasure boat when cruising Qiandao Lake with 24 Taiwan compatriots, two local tour guides, and six crew members aboard, killing everyone on board. Like Taiwan people, we were shocked and grief-stricken when the bad news arrived. We hoped sincerely that there would be full cooperation between authorities on both sides of the strait in handling this unfortunate incident and dealing properly with its aftermath, making sure that this tourist misadventure would not affect relations across the straits.

After the incident, from what information I could gather, I think that concerned mainland authorities are handling this matter seriously. The State Council persons-in-charge, its Taiwan Affairs Office, National Tourism Administration, and Zhejiang Provincial Government and concerned departments, have taken the tourist accident very seriously. Luo Gan, State Council General Office secretary general, instructed Zhejiang Province officials on the morning of 2 April to quickly find out the cause of the fire, ascertain the number of deaths, organize salvage operations, and deal with the aftermath of the fire. The Zhejiang Province officials put together a top team to direct the rescue effort and begin investigations at the scene, search for bodies, and provide every possible convenience for relatives of the victims. Concerned mainland departments are continuing their work to settle problems arising from the incident, and their work has won the understanding of relatives of the victims. Now, the bodies of victims have all gone through funeral rites and have been cremated and the ashes brought back to Taiwan by victims' relatives.

Concerned departments are investigating causes behind the Qiandao pleasure boat fire incident and will release the results as soon as possible. Concerned departments will learn from the experience of this extraordinarily serious incident, heighten safety awareness, tighten safety measures, plug all loopholes, take preventive measures, and create good tourist conditions and environment in order to better serve overseas and domestic tourists.

Taiwan people were grieved by the unfortunate incident happened on the 24 Taiwan compatriots. Media on the island over the last few days have given extensive coverage to the responses by Taiwan society, the strong feelings of the island's ruling force, and speculations about the causes of the incident. Many Taiwan newspapers ran dispatches sent by reporters from the scene of the incident. I think Taiwan's enormous reaction to the serious incident was perfectly understandable. Human lives are a serious matter; and mainland tourist, transport, public security departments should listen seriously to criticisms and views and meet the reasonable demands of victims's relatives in order to ease their minds.

The Qiandao pleasure boat fire was a tourist accident of rarely seen seriousness and complication. This is precisely the reason we should remain objective and calm in our approach and should not be emotional, much less

politicize the incident and make moves detrimental to cross-strait relations. Recent speeches and actions by some leaders of Taiwan have caused concern among people on the island. A Taiwanese writer pointed out in a newspaper article that tourist accidents are social, not political matters. If both officials and society wanted to cut down cross-strait mutual help because of the incident, it would be like refraining from eating for fear of choking and would revert the situation to before the "lifting of martial law." Tourist accidents can happen at Qiandao Lake as easily as anywhere else.

A high-level Taiwan "economic ministry" official asked Taiwan businessmen to temporarily suspend mainland investment in the aftermath of Qiandao incident. The demand was opposed by high-level personnel with the "Society for Taiwan Economic Building," who believed Qiandao to be an "isolated incident," and cross-strait economic ties and trade are the trend of the times. He also said that it was too early to make the conclusion that the Qiandao incident would affect cross-strait economic ties and trade. The trend shows that cross-strait economic ties and trade should continue to develop on the basis of mutual benefits, and authorities can only play a facilitating role.

I believe that the views of the above-mentioned two Taiwan personnel are quite perceptive and wise observations on the Qiandao incident.

My wish is to see concerted efforts from both shores to increase mutual trust, so that the shadow cast by the unfortunate Qiandao incident on cross-strait relations will disappear, the benevolent dynamic between the two shores can be maintained, and cross-strait relations can continue to develop. Bao Xin 11 April

#### CAAC Chief Urges Repatriation of Mainland Hijackers

HK2804145394 Beijing ZHONGGUO XINWEN SHE  
in English 1243 GMT 28 Apr 94

[Text] Beijing, April 28 (CNS)—Director-General of the Civil Aviation Administration of China [CAAC] Mr. Chen Guangyi, speaking at a national civil aviation security meeting here today, said he hoped that the Taiwan authorities would coordinate with the Mainland in cracking down on airline hijacking.

Airline hijacking, Mr. Chen said, was a commonly recognized serious crime. CAAC had adopted a series of security measures to prevent airline hijacking in the past two years. It required the Taiwan authorities to repatriate Mainland hijackers in line with the "Quemoy Agreement" signed in September, 1990. The Taiwan authorities, however, practised a policy of separating hijackers from the airlines and refused to repatriate them immediately, resulting in hijackers feeling confident of escaping punishment and was in fact a form of connivance with the hijackers.

Mr. Chen said that in view of the responsibility for the safety of life and property of passengers including Taiwan compatriots and the desire to promote personnel and economic exchange between the two sides of the strait, the Mainland sincerely hoped that the Taiwan authorities would positively coordinate with the Mainland in jointly cracking down on plane hijacking and that the Mainland-based ARATS and Taiwan-based SEF would reach an agreement on the repatriation of hijackers as soon as possible.

Mr. Chen also said that the Mainland had noted the promise made by the Taiwan authorities that they would

not grant political asylum to hijackers and would punish them severely. It also noted the consensus achieved by ARATS and SEF on the repatriation of all hijackers in principle and reached a basic framework for the agreement regarding such repatriation. The Mainland thanked figures from various sectors in Taiwan for their support for repatriation of hijackers as soon as possible. Mr. Chen said he believed that so long as the two sides cooperated and made joint efforts to seriously crack down on the crime of hijacking and made immediate repatriation of hijackers, such crime would be halted and the safety of passengers and property guaranteed.

### MAC Official on Qiandao Lake Killings

OW3004084594 Taipei CNA in English 0758 GMT  
30 Apr 94

[By Benjamin Yeh]

[Text] Taipei, April 30 (CNA)—Lawyers, criminology experts and relatives of the 24 Taiwan tourists murdered and robbed on Qiandao Lake are scheduled to fly to Hangzhou May 8 to hear a mainland Chinese briefing on the crime.

Yeh Chin-feng, vice chairwoman of the Mainland Affairs Council [MAC], said the council agreed to the mainland visit only after the Beijing-based Association for Relations Across the Taiwan Strait (ARATS) Friday [29 April] notified its Taiwan counterpart, the Straits Exchange Foundation (SEF) that foundation personnel will be permitted to visit the boat where the murders occurred.

Victims' relatives were barred from boarding the pleasure boat when they were in the mainland earlier this month, a move which was seen as an attempt by the mainland to cover up details of the crime.

Yeh quoted ARATS as saying that SEF personnel will also be given an oral report on autopsies performed after the crime, apparently a compromise to Taiwan's demand for a written report.

The group will include law and crime experts, Yeh said, but she declined to say whether active-duty police officers will be part of the entourage.

Mainland authorities have arrested three suspects in the murders but failed to clear up some remaining questions surrounding the case.

SEF and ARATS are authorized by their respective governments to handle private exchanges in the absence of official contacts.

### Jiangsu Party Secretary Interviewed by Paper

OW3004210494 Taipei CHUNG KUO SHIH PAO in  
Chinese 6 Apr 94 p 11

[Interview with Chen Huanyou, provincial party committee secretary and governor of Jiangsu, recorded and sorted by special correspondent Chou Yeh 0719 6851; place and date not given; first three paragraphs are CHUNG KUO SHIH PAO introduction]

[Text] Today we publish a special issue on Jiangsu, the eighth stop on our mainland reporting tour. Our ad hoc reporting team, wishing to give an in-depth report on Jiangsu's present situation, went across the entire province and carried out a month-long investigation and news gathering, contributing to the making of this special issue. This special issue is divided into six main sections, giving reports on such special topics as Taiwan-Jiangsu

relations, local economies across Jiangsu, village and town enterprises, society and culture, as well as tourism and consumption.

In addition, Shen Ta-jen [Shen Daren] and Chen Huan-yu [Chen Huanyou], respectively former and incumbent secretary of the Jiangsu Provincial Party Committee, gave separate exclusive interviews to our editor-in-chief Huang Chao-sung [7806 5128 2646] and reporters Yu Yu-lin [0205 7183 7207], Pai Te-hua [4101 1795 5478], and Chou Yeh. During the interviews, both Shen Ta-jen and Chen Huan-yu answered in detail questions raised by our reporting team.

During his exclusive interview with our reporting team, Jiangsu Provincial Party Committee Secretary Chen Huan-yu pointed out: Although we do not have too many exchanges with Taiwan, Jiangsu will take a positive attitude toward exchanges across the Taiwan Strait and will try its best to help realize any plans favorable to cross-strait exchanges. Furthermore, Jiangsu will start a tuition class for the Taiwan Joint College Entrance Examination and pre-university courses for Taiwan students. The contents of Chen Huan-yu's interview with CHUNG KUO SHIH PAO [CKSP] are as follows:

[CKSP] Last year Jiangsu Province put up an economic performance that was outstanding among various provinces on the mainland. Mr. Secretary, would you please tell us the main reasons behind the Jiangsu economy's relatively outstanding performance?

[Chen] Outside people's affirmation of the noticeable results in Jiangsu's economic development last year is an encouragement for us. Encouragement from Taiwan in particular gave us a deep impression. On behalf of compatriots in the province, I express gratitude for this. We were able to score such results last year because of good opportunities, favorable geographical position, and, still more, the positive effect of human factors.

We may call 1993 a year in which our provincial economy enjoyed sustained development. While the total annual output of goods and services for the province topped 255 billion renminbi yuan, up 18.5 percent over the previous year and topping up the second doubling in its value seven years ahead of schedule; the per capita gross national product for the province rose to 3,675 yuan, or 1,000 yuan more than the national average.

[CKSP] You assumed the position of secretary at the end of last September while holding the governorship at the same time. As the new secretary, would you please tell us about your latest overall vision of the direction for Jiangsu's economic development and where the principal focuses of development lie?

### Implementation of Macroeconomic Regulation and Control is Favorable to Economic Transformation

[Chen] We have determined two main objectives of struggle for Jiangsu's economic development: First, the



objective of reform is to establish in about five years a basic framework for the socialist market economic system. Second, the objective of development is to double the province's total annual output of goods and services for the third time by the end of the century following the realization of the second "doubling" ahead of time in 1993, so as to lift the economy's overall quality and composite strength to a new level and bring about a relatively comfortable life for the people ahead of schedule.

As to the question of where the principal focuses of future development lie, I would condense my answer into four phrases: seize the opportunity, deepen the reform, open up wider to the outside world, and accelerate development. So these will be our focus of development.

As the state has introduced a few more major reform measures this year, our present task is to properly conduct propaganda, give explanations, and carry out organization, coordination, dovetailing, and implementation of measures. We should manage to carry out thorough preparation and meticulous organization to ensure success. It is necessary to advance opening up to the outside world at an even higher level to vigorously develop an open economy. We will make full use of the international market and foreign capital, technology, and resources; expand import and export trading, attract foreign capital from a high starting point and on a large scale, converge and merge with the international economy in an even faster and better way, and accelerate the process of building a new system of socialist market economy. In addition, we will strive for speed as far as possible based on the viewpoint that "development is the last word." So long as we have quality, good sales, efficiency, and basically satisfactory supplies of essential production factors, we will embark on as many projects as possible. Our general policy is: "The fast are not to be halted by force and the slow are not to be rushed by force either."

[CKSP] As you are the first person in Jiangsu to hold dual positions [provincial party secretary and governor], we would like to know whether you have trouble trying to cope with the workload of managing both party and government affairs?

[Chen] I am now concurrently holding two positions on a temporary basis under special circumstances, and this will not last long. I have two ways to suit myself to the dual positions: one is to rely on collectives—our leading collectives; the other is to rely on the masses. An individual has very little strength and is unable to get things done all by himself. I rely on the collectives. I give the ideas, they carry them out, and the masses implement them. So things are easily accomplished in this way.

[CKSP] I am sorry to chip in. You said you are holding dual positions on a temporary basis, but Hainan's Juan Chung-wu [Ruan Chongwu] has held dual positions for a

long time while several other provinces, such as Fujian, followed suit recently. Can all these be viewed as temporary?

[Chen] I am not too sure about explanations given by other provinces, but as far as I know, that was meant to be a temporary measure in Fujian also. As for us, it really is a temporary measure. Juan Chung-wu's holding dual positions is a procedural matter, on which the central authorities have taken a clear stand. Being a small province with a population of only a few million and with economic development at the initial stage, Hainan is suitable for a little experimentation. As we, Jiangsu, are a big province with a population of 70 million and economic development ranking among the top in the country, I would be able to cope with the heavy workload alone only temporarily but not in the long run. The central authorities have also made this clear.

While some people say it is easier to get things done with concentrated authority, this has to be viewed in two respects: advantage and disadvantage. The advantage is swift handling of matters, while the disadvantage is a lack of restriction which raises the possibility of making mistakes. Things will go wrong in the long run when a person has to make policy decisions as well as carry them out all by himself; this just does not work. Therefore, my holding dual positions at the moment is only a temporary measure and not a matter of regular practice. From the standpoint of regular practice, it is better to separate the two positions. We had all the while separated party and government affairs, with major strategies being decided by the party committee and daily work and specific matters organized and implemented by the government. Outside people misread it as our current move toward combining party and government affairs; this is a misunderstanding.

[CKSP] We all know the Central Committee of the Chinese Communists are now implementing measures for macroeconomic regulation and control and tightening finances. Is Jiangsu fully prepared for this policy and have you taken any corresponding measures such as reducing the scale of investment and tightening credits? Furthermore, what impact does this policy have on the economic development strategies formulated by Jiangsu?

[Chen] The CPC Central Committee's measures drawn up last year to strengthen and improve microeconomic regulation and control played a very important role in overall economic development and social stability. However, we have to admit that these measures somewhat affected the pace of Jiangsu's economic development in the short run. Nevertheless, there are pros and cons to everything. With a smaller budget, we made careful plans, concentrated funds, and spent money on more important projects such as the renovation of the Nanjing Airport and the Shanghai-Nanjing Expressway. Those small-sized infrastructure projects had to be suspended temporarily. If we took a passive attitude toward microeconomic regulation and control, we would have only

noticed problems like the tight money supply, fund shortages, and a strained microeconomic environment. But in the long run, microeconomic regulation and control is helpful for quickening economic development and carrying out our economic development strategy.

For example, village and town enterprises developed very fast in the past few years. The pace of development among them was uneven. Some of them wanted to continue expanding their scale of production without taking their poor quality of development into consideration. Now they have slowed down somewhat and found out about their mistakes. This enabled some small-sized plants to merge into large-sized factories. With more funds, these factories are, instead of manufacturing poor-quality products, producing high-quality products that generate greater economic efficiency. This might not be a bad thing. That is why I stressed that we have to understand microeconomic regulation and control with a positive approach.

When the CPC Central Committee just began to carry out microeconomic regulation and control measures last year, we encountered the problem of fund shortages. The provincial party committee urged the entire province to economize as much as possible to save money not allocated for normal expenditures. The goal was to save 10 billion yuan by year's end. In only two months, we accomplished our mission of saving 10 billion yuan and resolved the fund shortage problem. We can see from this example that as long as the people support us, we will easily get things done.

#### **Village and Town Enterprises in South Jiangsu Are Required To Improve Their Quality**

[CKSP] Village and town enterprises in Jiangsu developed vigorously in recent years. Nevertheless, there are limits to the development of village and town enterprises, most of which are small- and medium-sized. Will Jiangsu consider expanding village and town enterprises in terms of their sizes? Moreover, does Jiangsu have a new development strategy for current and future village and town enterprises?

[Chen] The flourishing of village and town enterprises is a special feature in Jiangsu's economic development, and such enterprises are the pillars of Jiangsu's economy. Especially since the 1980's, village and town enterprises in south Jiangsu have entered a new stage of development. We can sum up the following special features shared by the village and town enterprises in south Jiangsu: Enterprises' scales of operation became larger, domestically-made equipment was replaced by foreign-made supplies, product quality was improved, more investment channels were opened, more markets for products were found, and a better investment environment was created. These features indicated the development of village and town enterprises in south Jiangsu has entered the stage of quality improvement. Those traditional enterprises began to change themselves into modern industrial enterprises.

At present, Jiangsu's village and town enterprises are indeed faced with such problems as fund shortages, insufficient markets, widening disparities between different regions, poor economic efficiency, and lack of specially-trained personnel. These problems are actually problems emerging naturally in the development of village and town enterprises. With clear goals, correct guidance, and solid work, we believe we will help village and town enterprises seize opportunities, overcome difficulties, and develop in a healthy manner.

#### **Jiangsu Strives To Shorten Disparity Between the South and the North**

[CKSP] As the provincial economies developed in the mainland, many provinces saw uneven development among various regions. Jiangsu seemed to have the same sort of problem—the uneven development between the south and the north. Would you please tell us if you have any measures to shorten the disparity between the two regions?

[Chen] The problem of uneven economic development between south and north Jiangsu does exist. Being restricted by certain conditions, economic development in south Jiangsu is faster than that of the north. We always attach importance to this problem. We hold that the disparity was hard to avoid. However, we cannot afford a great disparity in peoples' living standards. Things will eventually go wrong if the disparity among peoples' living standards becomes wider and wider. The second session of the eighth provincial people's congress which recently ended put forward the important task of bringing various regions' strong points into full play to promote the economic development of the entire province. To resolve the problem, the provincial government drew up the following four [figure as published] measures:

1. We are making efforts to assist northern Jiangsu in the construction of infrastructure projects, such as installing telephones and building electric power plants and roads. We first borrowed \$170,000 [figure as published] from Sweden to solve the problem of inadequate telephone service in northern Jiangsu. Now the problem of telephone service at the county level and above in northern Jiangsu has been totally solved. Then we helped northern Jiangsu build electric power plants. Xuzhou had power plants with a total capacity of more than 1 million kw, and now we have built plants with an additional capacity of several hundred thousand kw. We also built electric power plants in Huaiyin, Yancheng, and Lianyungang. Although there are still some locales which have not solved the problem of electricity, we are determined to solve the problem within three years. The next is road construction. Now we are building highways between Nanjing and Lianyungang, between Nanjing and Nantong, between Nantong and Yancheng, and between Nantong and Lianyungang. Besides, we are also building some railways.

2. We are speeding up the structural adjustment of agriculture, making efforts to stabilize the production of grain and cotton, and vigorously developing diversified farming operations in order to improve the rural economy. Although Jiangsu has made quite rapid progress in industrial development, we have not overlooked agriculture. The total grain output of this province is still between 62 to 66 billion jin per annum. Jiangsu is different from Guangdong and Fujian. The latter provinces plant less grain and attach importance to growing bananas, chestnuts, and other cash crops. We cannot do the same thing because we have so many people and we must have enough rice.

3. We have made efforts to establish links between northern and southern Jiangsu. We have dispatched cadres from southern Jiangsu to work as deputy mayors or deputy county heads in northern Jiangsu and let them bring the concepts and experiences of southern Jiangsu to northern Jiangsu. Meanwhile, we have also transferred some cadres from northern Jiangsu to southern Jiangsu to let them learn the motive force of southern Jiangsu. In addition, we have encouraged enterprises, sci-tech research units, and individuals to visit and exchange experiences in various fields with units and people at various levels in northern Jiangsu. This is the exchange of personnel. We have also promoted the establishment of links between units in northern and southern Jiangsu. For example, textile mills in southern Jiangsu have established direct links with cotton-producing areas in northern Jiangsu to eliminate intermediary agencies and increase the income of the rural areas.

[CKSP] Businessmen from Taiwan have made many investments in Jiangsu. What are the main areas in which they invest? Roughly speaking, what is the total amount of their investments? What will be the most desirable areas of investment by Taiwanese businessmen in the future? What preferential treatments do you have?

[Chen] In recent years, economic and trade contacts between Jiangsu and Taiwan have developed very fast. Taiwanese businessmen have made many kinds of investments in this province, including light industry, chemicals, textiles, electronics, building materials, food products, agriculture, and tertiary industries. Judging from the figures of growth of Taiwanese businessmen's investments on the mainland, Jiangsu ranks first among all provinces. We have a favorable geographical position, a relatively good industrial foundation, and a favorable investment environment. Besides, the educational level in this province is also quite high. Therefore, we hope more financial groups and major corporations in Taiwan will make investments and set up plants in Jiangsu, and we hope they will bring in more new and high technologies, items of greater scientific and technological value, and more world renowned brands.

Moreover, we highly welcome Taiwanese businessmen to make investments in transportation, energy sources, communications, and the production of raw materials.

We are not afraid of letting Taiwanese businessmen occupy a larger share of these projects. On the contrary, we welcome Taiwanese businessmen to increase their proportion of investments. In this connection, we have formulated a series of policies to encourage investments by businessmen from Taiwan and foreign countries. On a mutually beneficial basis, we will protect the lawful rights of investors.

#### **Welcome Investments by Taiwanese Businessmen, Expect Exchanges With Taiwan**

[CKSP] There are many people in Taiwan whose native region is Jiangsu. What is the general situation regarding their relatives in Jiangsu? As far as we know, exchanges of various types between Jiangsu and Taiwan are not very frequent. I would like to ask: do you have any plan for strengthening exchanges between Jiangsu and Taiwan, and if so, how are you going to do this?

[Chen] Exchange activities between Jiangsu and Taiwan are indeed not very frequent. However, generally speaking, some progress has been made in developing exchanges between the two areas. In 1993, Jiangsu and Taiwan conducted 70 exchange activities, involving 657 people. Of these, Taiwan organized 41 delegations to visit Jiangsu, involving a total of 606 people, while this province organized 29 visits involving a total of 51 people. Jiangsu held exhibitions and demonstrations of Yixing's pottery and Suzhou's embroidery in Taiwan. In the future, we will continue to maintain a positive attitude toward promoting exchanges between the two sides of the Strait. We will do our best to promote all beneficial exchanges between the two sides.

This year we will hold a continuation class for students from Taiwan to take part in the joint college entrance examination and a preparatory class for regular courses. The Nanjing Teachers' University will also accept students from Taiwan beginning the next semester.

At the invitation of the Kaohsiung Antiques Research Society, four experts of the Nanjing Museum will visit Taiwan. The Yangzhou Puppet Troupe, the Xuzhou Liuqin Theatrical Troupe, and the Nanjing Xiaohonghua Art Troupe will all visit Taiwan at an appropriate time.

As for the relatives of Taiwan compatriots in this province, there are more than 520,000 people, according to a statistical report. They are working at various posts.

[CKSP] Finally, I would like to ask the secretary this question. Since relations between Jiangsu and Taiwan have become increasingly close in recent years, we wonder about your understanding of Taiwan. Through what channels do you know about the situation in Taiwan?

[Chen] In recent years, in the wake of increasing contacts of people between the two sides of the Strait, a large number of Taiwan compatriots have come to Jiangsu to visit their relatives, to engage in sight-seeing, to conduct



investigations and make investments, and to carry out other activities. Therefore, we have paid good attention to the situation in Taiwan. I have met with many Taiwan compatriots who came to Jiangsu to conduct investigations and make investments or to carry out other activities, including your colleagues in journalist circles. They have given me much information about the situation in Taiwan. Nowadays, the mass media have developed rapidly and there are frequent reports on Taiwan. It should not be difficult to understand the situation in Taiwan.

### Report Previews Taipei's Tariff Talks With U.S.

OW2904094294 Taipei CNA in English 0744 GMT 29 Apr 94

[By Lilian Wu]

[Text] Taipei, April 29 (CNA)—Vice Economic Affairs Minister Sheu Ke-sheng will lead a delegation to the United States next month to attend the second round of tariff talks between Taipei and Washington under the General Agreement on Tariffs and Trade (GATT) framework.

At the top of the agenda during the May 12-13 talks will be the size of Taiwan's tariff cuts, revisions to Taiwan's alcohol and tobacco monopoly system, government procurement agreements, and the opening of Taiwan's agricultural markets.

In addition, sources said that the United States will soon submit a list of tariff requests for Taiwan's service industry. The U.S. is expected to ask Taiwan to open its transportation, telecommunications, banking, stock and futures markets.

Economics Ministry officials said they hope the two sides will reach an agreement during the talks, which will then encourage other countries to hold bilateral tariff talks with Taiwan.

The successful conclusion of Taipei-Washington talks will also facilitate Taiwan's bid to enter the world trade body, the officials said.

After the first round of talks in Taipei, Taiwan agreed to reduce tariffs on some of the 699 farm and industrial products on a U.S. list within the near future. Other reductions will come later after revisions of related laws and regulations, according to the Board of Foreign Trade.

Sheu will leave for the United States May 9. After the talks, he will travel to Geneva where he will attend the fifth meeting of the GATT working party responsible for reviewing Taiwan's bid to enter into the world trade body.

Sheu is expected to hold tariff talks with Mexico and Canada during the meeting.

Taiwan was granted GATT observer status in September 1992 and hopes to become a full member by the end of this year.

### Police Boats Complete South China Sea Patrol Mission

OW2904044494 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 28 Apr 94

[From the "Hookup" program]

[Text] The Seventh Security Police Group under the National Political Administration has completed its first patrol mission in the South China Sea. Minister of the Interior Wu Po-hsiung said: We will carry out such missions irregularly in the future, which is of great significance for claiming our sovereignty in the South China Sea. This will also focus international attention on the fact of our presence in the Nansha Islands [Spratlys].

Two 400-ton patrol boats of the Seventh Security Police Group have completed their first 12-day patrol mission in the South China Sea. This is the first time that our country has exercised its police power in the South China Sea.

Minister Wu Po-hsiung said: The construction of satellite communication facilities on Taiping Island will soon be completed. With that island as a base, we will serve various countries with weather reports. We will build wharves there. But for the time being, we have no plans to build an airport there.

Minister Wu Po-hsiung said: What is most important is that we want the international community to know the fact of our presence in the Nansha Islands. Having legally occupied Taiping Island for a long time, we have a legal claim on its territory.

The two patrol boats were commanded by Chang Chen-chung of the Seventh Security Police Group. He said: During the patrol, his boats did not clash with any vessels of the Chinese communist Navy or the Vietnamese Navy, but discovered that Vietnam was building in a way on [name of island indistinct], one of the Nansha Islands. This shows that Vietnam attaches increasing importance to its right to exploit resources in the South China Sea. This cannot but cause our government to pay close attention to our rights there.

However, Wu Po-hsiung stressed: We do not want to cause any confrontation or tensions in the South China Sea, but hope to exploit various resources there along with other countries.

### More on Taiwanese Patrol Boat Mission

OW2804011594 Taipei LIEN HO PAO in Chinese 25 Apr 94 p 1

[Roundup by reporters Hsieh Lung-tien and Lin Hsin-hui]

[Text] Two 400-ton-class patrol boats of the Seventh Security Police Group set sail on 16 April for a patrol of the Spratly waters and a landing on Taiping Island there. This is the first time that our country has extended its police authority to the South China Sea to reassert our sovereignty over the South China Sea. The police patrol boats were to link up at Taiping Island with Yu-hsun No.2 boat and naval warships which went there by separate routes. Their operations have so far been kept secret. The patrol boats are on their way home and will arrive in Kaohsiung today or tomorrow.

According to the Seventh Security Police Group, its No. 2 and No. 3 patrol boats, led by Chang Chen-chung, chief secretary of the police group, set out from the No. 2 harbor at Kaohsiung at 1930 on 16 April with a dozen or so high-ranking police officers on board, including Hou Chin-tung, commander of the second battalion of the Seventh Security Police Group. Besides a dozen or so crew members, each boat also has on board more than a dozen policemen from the Fourth Company of the Seventh Security Police Group, armed with machine-guns and Uzi submachineguns.

According to the Seventh Security Police Group, our fishing boats have frequently been detained by the Philippines and Vietnam and piracy has been a serious threat to the lives and property of our fishermen operating in the South China Sea in recent years. Our country's South China Sea policy clearly calls for strengthened police patrols to protect our fishermen. For this reason, our first police patrol there serves to signal to the international community our reassertion of sovereignty over the South China Sea. Since the high level [of government] attaches considerable importance to this police patrol, it has been carried out after six months of prudent planning.

According to the Seventh Security Police Group, its patrol boats are performing duties around Taiping Island for the first time. The main purpose is to test navigational safety between Taiwan and Taiping Island and to survey the waters around the island to prepare for stationing a police company on the island in the future.

According to the Seventh Security Police Group, the No. 2 and No. 3 patrol boats are on their way home, expected to arrive in Kaohsiung harbor today or tomorrow. Its Fourth Company, stationed in Kaohsiung, has four patrol boats—the 800-ton-class No. 1 boat, the 400-ton-class No. 2 and No. 3 boats, and the 200-ton-class No. 5 boat. Some of the boats may be diverted to perform duties around Taiping Island in the future.

#### **President Li To Send Delegation to Japan on Air Crash**

*OW2804135494 Taipei CNA in English 1246 GMT 28 Apr 94*

[By Flor Wang]

[Text] Taipei, April 28 (CNA)—President Li Teng-hui has decided to send a five-member special delegation to Japan to mourn those killed in the China Airlines plane crash at Nagoya airport Tuesday [26 April], the Ministry of Foreign Affairs reported Thursday.

The delegation will include Ma So-lay, a senior adviser to President Li, Wang Jin-ping, the Legislative Yuan vice president, and three leading figures from Taiwan's business community.

Lin Chin-chin, the Republic of China's [ROC] representative to Japan, who returned to Taipei to attend a special session of the ruling Kuomintang's 14th Central Committee meeting on Sunday, on Tuesday ordered his deputy, Tu Hsiu-sheng, to fly to Nagoya to help handle rescue efforts and to assist the families of the victims in arranging funeral services, the ministry added.

Additionally, officials with the Taipei Economic and Cultural Representative Office in Japan are also at the crash site to handle the issuing of death certificates and documents for the families of the Taiwan victims.

#### **Remains of Nagoya Airplane Crash Victims Returned**

*OW3004133994 Taipei CNA in English 1301 GMT 30 Apr 94*

[By Bear Li]

[Text] Taipei, April 30 (CNA)—A special China Airlines [CAL] flight on Saturday [30 April] carried back to Taiwan the remains of the 101 Taiwan victims of the CAL Airbus-300 crash in Nagoya, Japan.

A mixed Buddhist and Taoist ceremony to appease the spirits of the victims was held at Chiang Kai-shek International Airport upon the arrival of their bodies.

Transportation and Communications Minister Liu Chao-shiun, Civil Aeronautics Administration Director-General Sun Chao-liang, Association of East Asian Relations Chairman Ma Chih-chuang, CAL General Manager Yuan Hsing-yuan, and Foreign Ministry officials were present at the ceremony. They bowed three times in front of the spirit tablets of the victims to pay homage.

CAL officials, led by Yuan, carried banners saying "CAL Asks For the Forgiveness of the Victims," and "All CAL Staff Mourn the Death of the Victims."

The CAL Airbus-300 crashed upon landing and caught fire at the Nagoya airport in central Japan on Tuesday, killing 263 out of the 271 passengers and crewmembers aboard in what was the 10th worst accident in world aviation history. Of the eight survivors, two were Taiwanese.

Most of the bodies of the Taiwan victims, who were mostly from southern Taiwan, were cremated in Nagoya.

After the ceremony, the remains and bodies of the southern Taiwan victims were ferried from Chiang Kai-shek airport to Kaohsiung by another CAL flight.

### **Minister Criticizes China Airlines Over Nagoya Crash**

*OW2804142794 Tokyo KYODO in English 1237 GMT 28 Apr 94*

[Text] Taipei, April 28 KYODO—Taiwan's Transportation and Communications Minister Liu Chao-shiun on Thursday [28 April] said that the government will instruct China Airlines to sufficiently improve its safety measures in the wake of its jetliner crash at Nagoya airport in central Japan, which killed 263 people.

Liu, speaking at a cabinet meeting, said if the national flag carrier fails to implement the instruction demand within a specific period, the government may suspend some of its routes.

Li also said the government will take some disciplinary measures against China Airlines in connection with the Tuesday crash.

Earlier in the day, President Li Teng-hui reportedly told a meeting of the Central Committee of Taiwan's ruling Nationalist Party (Kuomintang) that a special committee has been set up within the Transportation and Communications Ministry to supervise corrective measures to be undertaken by China Airlines in the aftermath of the crash.

All but eight of the aircraft's 271 passengers and crew, mostly Japanese and Taiwanese, were killed in the crash of the Airbus A300-600R, arriving in Nagoya from Taipei. Two of the survivors are Taiwanese.

It was the fifth China Airlines crash since 1986 and the 11th since 1969, giving the airline a significantly higher ratio of crashes per flight hours than the world average.

Many of the crashes, in which a total of 410 people have died, involved human error.

### **Vice Finance Minister Departs for ADB Meeting 29 April**

*OW2904083894 Taipei CNA in English 0716 GMT 29 Apr 94*

[By Danielle Yang]

[Text] Taipei, April 29 (CNA)—A 10-member Republic of China [ROC] delegation, led by Vice Finance Minister Li Chung-ying, is leaving for France Friday [29 April] to attend the 27th Asian Development Bank (ADB) annual meeting.

Some 54 ADB member countries are expected to attend the May 3-5 meeting in Nice. An annual report will be released at the meeting and participants will discuss economic prospects in Asia, common problems Asian

countries are facing, and problems funding infrastructure development in Southeast Asia.

During the meeting, Li will report on Taiwan's overseas investment and economic development as well as express the island's strong desire to join the General Agreement on Tariffs and Trade (GATT).

Li said before departure that delegation members will also explain Taiwan's "southern strategy," which encourages investment in Southeast Asia, as well as Taiwan's financial situation.

In addition, Taiwan delegation members will attend a meeting of the procedures committee. This will be the first time since 1970 that the ROC, a founding member of the ADB, has been allowed into the 12-member committee.

During the meeting, Li will protest the ADB's unilateral decision to change the ROC's designation at the international banking institute to "Taipei, China."

The ADB changed the ROC's representative name after Beijing joined the group in 1986. Taipei refused to take part in any ADB activities in protest of the unfair treatment in 1986 and 1987. Participation resumed in 1988.

The delegation is scheduled to return to Taipei May 8.

### **Sheu To Attend Fifth GATT Working Party Meeting**

*OW2704113994 Taipei CNA in English 0741 GMT 27 Apr 94*

[By Y. C. Tsai]

[Text] Taipei, April 27 (CNA)—Vice Economic Affairs Minister Sheu Ke-sheng will represent Taiwan at the fifth working party meeting on Taiwan's accession to the General Agreement on Tariffs and Trade (GATT) scheduled for May 17-19 in Geneva.

Sheu said Wednesday [27 April] that he will travel to Geneva from Washington, D.C., where he will meet with US officials on tariff issues May 9-10.

During the forthcoming GATT working party meeting, he noted, he will also hold bilateral consultations with Canada, Mexico, and the European Union.

The fifth working party meeting will be the first such meeting this year. The fourth meeting was held last October.

So far, 21 countries have asked for bilateral tariff negotiations with Taiwan, of which 14 have made tariff reduction requests, he said. Japan and the European Union, two of Taiwan's major trading partners, have not yet submitted their reduction requests, he added.



Taiwan has held tariff reduction talks with the United States, Australia, New Zealand, Chile, Turkey, South Africa, and Hungary.

Deputy Director-General Lin Yi-fu of the Board of Foreign Trade (BOFT) is currently heading a delegation to the Philippines, Malaysia, and Thailand for similar talks, while BOFT Director-General Huang Yen-chao is now in Tokyo for informal tariff talks with Japanese officials.

Bilateral tariff talks with GATT contracting parties are expected to help ensure Taiwan's smooth entry into the Geneva-based world trade regulating body.

Taiwan, which was accepted as a GATT observer in September 1992, hopes to become a full member by the end of this year.

#### **Taipei Sentences Mainland Hijacker to 12 Years in Prison**

*OW3004143094 Taipei Voice of Free China in English 0200 GMT 30 Apr 94*

[From the "News" program]

[Text] A mainland Chinese hijacker Thursday [28 April] was sentenced to 12 years in prison. (Hsu Ta-chun), 23, received the sentence after being convicted of air piracy. He was a salesman of the mainland's state-run China National Light Industrial Products Import and Export Corporation in the northeastern Chinese city of Harbin.

Hsu used a fake bomb to hijack a Xiamen Airlines Boeing 737 to Taiwan on 12 December last year and asked for political asylum. None of the 92 passengers and crew on board were hurt.

Hsu is among 12 asylum seekers who have hijacked 11 mainland airliners to Taiwan since last April. Ten have been sentenced to up to 30 years in jail while the rest are waiting trial.

Taipei has so far rejected Peking's demand that hijackers be repatriated for trial on the mainland, citing judicial sovereignty over the criminals. But Taipei, trying to deter further hijacks, said hijackers will be heavily punished and deported after serving their terms.

#### **Civil Aeronautics Administration Head Resigns Over Crash**

*OW3004085494 Taipei CNA in English 0723 GMT 30 Apr 94*

[By Debbie Kuo]

[Text] Taipei, April 30 (CNA)—Director-General Sun Chao-liang of the Civil Aeronautics Administration (CAA) resigned Saturday [30 April] "to comply with legislators' demands" in the wake of Tuesday's China Airlines (CAL) crash in Nagoya, Japan which killed 263 of the 271 people aboard.

Sun made the announcement after a joint meeting of the Legislative Yuan's Transportation and Communications Committee and Ways and Means Committee resolved Friday that Sun should resign from his post to take political responsibility for the crash, the worst in CAL history and the 10th worst in the world.

Sun said he would be pleased to resign, but argued that he is in no way responsible for the crash.

Sun refused to admit negligence on his part and refuted legislators' charges that he has worked for increased profits for CAL, noting that the airline has paid higher interest rates for its aircraft since he assumed office 14 months ago.

Sun said that the CAA only plays a judicial role in airline safety and has no control over the competence of pilots.

"Regulating pilots is the responsibility of the airline companies," he said.

Minister of Transportation and Communications Liu Chao-shiuan did not comment on Sun's resignation, but will have to accept the resignation for it to become effective.

Meanwhile, compensation for the crash is turning out to be a thorny issue for CAL.

If human error caused the crash, as many experts speculate, families of the victims would be eligible for much larger sums of money from CAL, sources said.

Although initial reports have pointed at human error, the true cause of the crash will not be known for two to three months, after an international investigation team completes analysis of the aircraft's flight and voice recorders.

#### **Taipei Intends To Sign GATT Accord 'Next Year'**

*OW3004093394 Taipei CNA in English 0729 GMT 30 Apr 94*

[By Y. C. Tsai]

[Text] Taipei, April 30 (CNA)—Taiwan will seek to sign a multilateral government procurement agreement in line with the Uruguay Round codes of the General Agreement on Tariffs and Trade (GATT) sometime next year, the Council for Economic Planning and Development (CEPD) said Saturday [30 April].

But, the council noted, Taiwan hopes to follow the example set by Hong Kong and South Korea to postpone acting on the new government procurement agreement until 1996.

Previously, Taiwan rejected the agreement because of the great number of state organizations which would be affected. It now needs to sign the accord in order to facilitate its entry into GATT.

Taiwan was admitted as a GATT observer in September 1992 and hopes to become a full member by the end of this year and before GATT is superseded by the World Trade Organization.

CEPD Vice Chairman Hsueh Chi said that the council will establish a task force to overhaul Taiwan's government procurement practices to come into line with the GATT requirements.

Dozens of rules and regulations concerning government procurement will be revised and updated, Hsueh said. In addition, he said, the base price for open tenders will be lowered and all the bidding procedures will be completely open and transparent.

When the domestic government procurement market begins to open, he noted, the government will seek to exclude the International Telecommunications Administration, Taiwan Power Company, Chinese Petroleum Corp., and China Steel Corp. from the agreement.

Abrupt market opening might trigger unfair competition and thus adversely affect these state-run companies in view of Taiwan's weak competitiveness in power, telecommunications, energy, and steel, he explained.

#### Four Suspects Arrested for Heroin Trafficking

OW3004093294 Taipei CNA in English 0810 GMT  
30 Apr 94

[By Sofia Wu]

[Text] Taipei, April 30 (CNA)—Police arrested four suspected drug dealers and seized 2 kilograms of heroin during a raid on a house in Taichung, central Taiwan, late Friday [29 April] night.

The four suspects were Lin Chen-hsiung, 49; his wife Lin Chang Shu-mei, 44; Shieh Yu-chi, 30; and Li Ming-wei, 42.

The suspects had collaborated with drug dealers in Hong Kong and Thailand to smuggle heroin into Taiwan many times during the past year, the Criminal Investigation Bureau said Saturday.

Bureau agents began to shadow Lin and his associates last May. The police found the ring was headed by a Hong Kong-based man, known only as "Simon." Lin was responsible for drug distribution in Taiwan, agents said.

The agents found that the heroin was smuggled into Taiwan inside opaque bottles of alcohol. The smugglers placed small amounts of heroin inside the bottles and carried only two bottles each time through customs without incident, the agents said.

The agents said they will continue their investigation into the case.

#### Turkish Business Official Leads Trade Mission to Taipei

OW2504084094 Taipei CNA in English 0743 GMT  
25 Apr 94

[By Debbie Kuo]

[Text] Taipei, April 25 (CNA)—Taiwan businessmen should cooperate with their Turkish partners to tap lucrative markets in Turkey and other central Asian states, according to the president of the Turkish International Cooperation Agency.

President Umut Arik is in Taiwan as the head of a Turkish trade mission. In a speech on Monday [25 April], he touted Turkey's potential for Taiwan businessmen seeking to expand to the Central Asian and Commonwealth of Independent States markets.

Arik's visit marks the opening of a series of business promotions, including speeches, trade workshops, and visits by Turkish business groups to Taiwan, a China External Trade Development Council (CETRA) official said.

The Turkish Entrepreneurial Association Musiad, which boasts 17 affiliate organizations and more than 1,800 members, is scheduled to host a trade and investment workshop Thursday at CETRA headquarters, the official said.

The workshop aims to promote investment cooperation between Turkey and Taiwan and expand Turkish distribution networks which target the Asia-Pacific region, he added.

Despite an inflation rate of 71.7 percent last year, Turkey's economic development potential should not be ignored, the official said.

Turkey's foreign trade stood at U.S.\$44.8 billion in 1993 with industrial products dominating the imports and manufactured goods and textiles and garments forming the bulk of the exports.

Taiwan's imports from Turkey totaled about U.S.\$20 million in 1992 with crude steel dominating the imports. The island's exports to Turkey, totaling U.S.\$150 million in the same year, including mainly consumer's goods and electronic products, CETRA reported.

#### Exodus of Labor-Intensive Industries Harms Exports

OW2904094394 Taipei CNA in English 0757 GMT  
29 Apr 94

[By Sofia Wu]

[Text] Taipei, April 29 (CNA)—The exodus of labor-intensive industries to Mainland China and Southeast Asia has taken its toll on Taiwan's export business, the Council for Economic Planning and Development (CEPD) said Friday [29 April].

Exports grew a marginal 0.4 percent in the first quarter of this year, far lower than the originally targeted 4.6 percent growth. Outbound shipments in the first two weeks of April also dropped 8.1 percent as compared with the same period last year.

Responding to the lackluster trend, the CEPD said it has decided to lower the export growth target for this year to 5 percent from the previously-set 7.2 percent.

K.C. Li, director of the CEPD's Economic Research Department, attributed the slow export growth to several factors:

- The exodus of labor-intensive industries to Mainland China and Southeast Asian countries has curtailed Taiwan's exports of furniture, toys, textiles and footwear.
- Growth in exports of high-technology or high value-added products is too slow to make up for decreases in labor-intensive exports.
- Sales to the mainland have declined since Beijing implemented economic austerity programs in the second half of last year. Moreover, many Taiwan-owned companies on the mainland have opted to purchase needed raw materials there instead of Taiwan to save transport costs. Growth in mainland-bound shipments slid from last year's 28 percent to only 9.5 percent in the first quarter of this year.

However, Li said further study is needed before concluding that Taiwan's export trade faces the threat of recession as a result of the exodus of labor-intensive industries.

Li pointed out that despite a slowdown in exports, other major economic indicators showed signs of improvement in the January-March period. For example, overall industrial production rose 5.9 percent from the year-earlier level. Textile production increased 5.93 percent, chemical output climbed 16.4 percent, petrochemical production advanced 8.25 percent, electronics and computer output also registered gains.

Li said domestic demand accounted for 54 percent of total sales in the first quarter, while foreign demand made up 46 percent.

As export orders received in the first quarter rose 5.39 percent from the year-earlier level, Li said outbound shipments will gradually regain momentum in the coming months.

With domestic and foreign demand increasing and industrial output growing, Li said, the country will still be able to register at least 6 percent economic growth this year.

### Customs Reports Two-Way Trade Up in First Quarter

OW2304090894 Taipei CNA in English 0803 GMT  
23 Apr 94

[By Sofia Wu]

[Text] Taipei, April 23 (CNA)—Taiwan's two-way trade totaled U.S.\$40 billion in the first three months of this year, up 3.3 percent from the same period of 1993, according to customs statistics released Saturday [26 April].

Of the amount, exports accounted for U.S.\$20.1 billion, up a marginal 0.4 percent from the year-earlier level, while imports rose 6.3 percent to U.S.\$19.9 billion.

Taiwan's major trade partners for the period were Asia, North America, Europe, the Middle East, Oceania, Africa, South America and Central America in that order.

Compared with the first quarter of 1993, two-way trade with Asia rose 8 percent, while trade with North America and Europe edged up less than 1 percent.

Trade with Central America registered an impressive 50.8 percent increase during the three-month period as compared with the year before. Taiwan exported U.S.\$400 million worth of goods to Central American countries during the period, while imports totaled only U.S.\$3.1 million.

The figures indicated that Central America is a promising market worth tapping by Taiwan manufacturers, trade officials said.

Two-way trade with South America rose 3 percent, while trade with the Middle East, Oceania and Africa fell 7 percent, 3 percent and 18 percent respectively.

### Customs Statistics Show Growth in Trade With Eastern Europe

OW2304145694 Taipei CNA in English 1316 GMT  
23 Apr 94

[By Flor Wang]

[Text] Taipei, April 23 (CNA)—Trade volume between Taiwan and Europe in the first quarter of the year rose just 0.2 percent as a whole over the same period of last year, but trade with Eastern Europe posted big gains.

According to customs statistics, Taiwan exported U.S.\$3.1 billion worth of products to Europe in the first three months of the year, an 8 percent decrease over 1992, while European imports here grew by 9 percent to U.S.\$3.6 billion.

Although quarterly Taiwan trade with Eastern Europe stood at only U.S.\$180 million, the figure represents a 23 percent increase from the year-earlier level. Taiwan



exports to all Eastern European countries except Yugoslavia posted considerable gains.

The bilateral trade increase of 170 percent with [word indistinct] was the biggest with any Eastern European country. Trade with the states of the former Soviet Union grew 90 percent, and trade with both Albania and Romania increased 50 percent.

However, the states of the former Soviet Union posted the biggest increase in importing Taiwan goods in the three-month period—120 percent. Albania, the Czech Republic, and Bulgaria also increased their imports from Taiwan by 100 percent, 70 percent and 30 percent, respectively.

#### **Relations Urged With Trade Groups in Southeast Asia**

OW2604142594 Taipei CNA in English 1352 GMT  
26 Apr 94

[By Flor Wang]

[Text] Taipei, April 26 (CNA)—Given that more and more local industries have moved production lines to Southeast Asia, the government has decided to strengthen its ties with civilian trade groups there in a bid to offer better protection for Taiwan investors in the region.

Economics Minister P.K. Chiang, who just returned from Penang, Malaysia, where on Saturday [23 April] he attended the first meeting of the Council of Taiwanese Chambers of Commerce in Asia, said his ministry will do its best to push for the signing of bilateral investment guarantee pacts and agreements to avoid double taxation with every Southeast Asian country. It will also seek to set up formal channels of dialogue and communication with governments there.

The Economics Ministry estimated that at least 3,200 production lines of local manufacturers have been relocated in Southeast Asian countries. Two-way trade between Taiwan and those countries reached US\$6.62 billion in the first quarter of the year, a 9.3 percent increase over the same period last year.

According to statistics released by the cabinet-level Overseas Chinese Affairs Commission, the number of ethnic Chinese in Southeast Asia has surpassed 30 million, which accounts for 86 percent of the total number of overseas Chinese.

In view of the huge number of ethnic Chinese in the region, Chiang urged both state and Kuoimintang run enterprises to invest in Southeast Asia to match the government's "southern strategy," which encourages local business people to invest in Southeast Asia rather than in Mainland China.

THE ECONOMIST, a British news magazine, recently reported that the economic strength of ethnic Chinese in Southeast Asia is of vital importance to the region.

Ethnic Chinese in Malaysia only make up one third of the total population there, but they hold nearly 50 percent of listed stock shares.

Likewise, the Chinese minority in Indonesia accounts for only 3 percent of the total population, but owns 70 percent of all companies in the country. Except for the petroleum industry and state-owned corporations, ethnic Chinese control about 50 percent of Indonesia's economy, the magazine said.

In Thailand, Chinese make up 12 percent of the population, but control as much as 90 percent of the entire country's capital. Fifty percent of Thailand's financial and banking institutions are also under control of ethnic Chinese.

Given the prevailing economic strength of ethnic Chinese in Southeast Asia, the government has begun paying attention to its relations with ethnic Chinese population there while trying to sell its "southern strategy."

In an effort to build warm relations between Taiwan investors and ethnic Chinese businessmen, Mainland Affairs Council Chairman Huang Kun-hui and his deputy, Kao Koong-lian, will soon visit countries in Southeast Asia to promote the southern policy.

By explaining the government's position and its strategies, Huang and Kao hope to start a formula under which Taiwan enterprises and ethnic Chinese communities in those countries can break into the mainland Chinese market hand in hand.

The Mainland Affairs Council and the Economics Ministry will also draw up new plans to jointly encourage more local investments in southeast Asia.

Chiang said the government's southern strategy was not designed to curb Taiwan investments in Mainland China, but is meant to offer an alternative for Taiwan industries keen to expand into overseas markets.

#### **Heavy-Industry Exports Set Record in First Quarter**

OW2804132494 Taipei CNA in English 9814 GMT  
28 Apr 94

[By Y. C. Tsai]

[Text] Taipei, April 28 (CNA)—Taiwan's efforts to promote industrial upgrading have paid off as heavy industry exports reached a record high in the first quarter, the Ministry of Economic Affairs reported Thursday [28 April].

Ministry tallies show that Taiwan exported US\$108.30 billion worth of heavy industry products in the first three months of 1994, accounting for 53.8 percent of its aggregate exports, which totaled US\$201.3 billion.

The ratio of heavy industry exports to Taiwan's total outbound shipments represented a 2.5 percent growth

from the same period of last year, while total exports increased only 0.4 percent, officials said.

### **Holding Firm To Import Manufacturing Technology From Japan**

OW2904150994 Taipei CNA in English 1247 GMT 29 Apr 94

[By Bear Li]

[Text] Taipei, April 29 (CNA)—In a bid to curb the snowballing trade deficit with Japan, Taiwan is planning to establish a holding firm to introduce key manufacturing technologies from Japan, Kao Ching-yuan, chairman of the Chinese National Federation of Industries, said Friday [29 April].

Kao said he will invite the public and private sectors as well as Japanese firms to jointly invest in the holding company which will have a capital base of at least NT [New Taiwan] \$10 billion (US\$378 million).

After its establishment, the holding company will seek to transfer from Japan the technologies used in manufacturing each product that Taiwan imports, since Japanese imports exceed US\$30 million yearly, he added.

Kao said that Economics Minister P.K. Chiang and several local business heavyweights, including Honorary Chairman Ku Chen-fu of the Chinese National Association of Industry and Commerce, have expressed their support for the proposed company.

Taiwan has been disappointed with the result of its efforts to trim the trade deficit with Japan, and the gap is, in fact, widening. The deficit totaled US\$14.22 billion last year, and is expected to increase to US\$15.5 billion this year. The first-quarter deficit was US\$3.7 billion.

### **Representative to Singapore Transferred to Denmark**

OW2704112894 Taipei Voice of Free China in English 0200 GMT 22 Apr 94

[From the "News" program]

[Text] ROC [Republic of China] representative to Singapore Chen Yu-chu is scheduled to depart the city state on 26 April, at which time he will head to Denmark to assume his new diplomatic posting. Meanwhile, the newly appointed ROC representative to Singapore, Chiu Chin-yi, will fly to Singapore on 29 April to take up his new position. Chen is a senior diplomat in the ROC foreign service. He has served in his post in Singapore since May 1990. Over the past four years, many changes have transpired in relations between the ROC on Taiwan and Singapore. The most important change has been that Singapore established formal diplomatic relations with Communist China in August 1990. During his tenure, Chen has worked to maintain substantive ties between the two countries, exhibited in the increase in private exchanges between the two sides and strengthened trade

relations. Government officials from both countries often commonly made calls to the other.

### **Taiwan, Czech Industry Federations To Cooperate**

OW2704143394 Taipei CNA in English 1323 GMT 27 Apr 94

[By Bear Li]

[Text] Taipei, April 27 (CNA)—The Chinese National Federation of Industries (CNFI) and the Confederation of Industry of the Czech Republic Wednesday [27 April] signed a cooperation pact.

CNFI Deputy Secretary-General Chen Ching-nang and Stepan Popovic of the Czech Confederation signed the agreement, the first of its kind between Taiwan and an East European country.

Under the nine-point agreement, the two sides will increase trade, manufacturing and service industry ties.

Chen said the Czech confederation was the 23rd foreign-industry association that has entered into cooperative ties with CNFI. He added that CNFI is vigorously seeking to establish similar ties with industrial federations in Latin American and South Africa.

Popovic is leading a 18-member delegation of the Czech Confederation on a week-long visit to Taiwan.

Two-way trade between Taiwan and Czech Republic totaled US\$150 million in 1993, with the latter enjoying a trade surplus of US\$60 million.

### **Foreign Minister's Reaction to Sino-French Relations**

BR2804142594 Paris LE MONDE in French 28 Apr 94 p 8

[Report by special correspondent Francis Deron: "Statement by Taiwanese Foreign Minister—Taiwan Unruffled by French Reconciliation With Beijing"]

[Text] Taipei—One would have expected more bitterness from Taiwan following Paris' recent political turn-about with respect to China and Prime Minister Edouard Balladur's trip to Beijing. After all, when General de Gaulle had the French Embassy in China transferred to the mainland in 1964, it was Taipei that severed relations.

How things change! While Taipei still claims, as does Beijing, that it is the "only legitimate government" of the whole Chinese territory, pragmatism prevails in the capital of the non-Communist island, whose government is urging France to remain "realistic." In essence, the Taiwanese regime wants to put an end to the Manichaeist tradition of many Western countries, which in their relations with the Chinese world tend to choose either for Taiwan or for mainland China.

Such is the underlying message of the statements to LE MONDE by Taiwanese Foreign Minister Frederick Chien, who appeared surprisingly serene following the first concerns after the normalization of Franco-Chinese relations. "The aim of the (French) prime minister's visit (to mainland China) was not to damage relations between France and Taiwan. Accordingly, I think that we shall maintain the same relationship as we did before Mr. Balladur's trip," he said.

However, Taiwanese feelings were hurt by two aspects of France's new policy. First, in its 12 January joint communique with Beijing, France acknowledged for the first time the PRC point of view that Taiwan "is an integral part of China." The joint communique of 1964 on the establishment of diplomatic relations between Paris and Beijing had been more restrained, leaving Communist China free to interpret it the way it saw fit, but expressing no agreement on the part of France. Only in a recent text—of a purely technical nature, since it referred to air connections between France and the two rival Chinese capitals—has France acknowledged Beijing's position.

#### **Intertwined**

"While there is only one China," Mr. Chien notes, "it is unfortunately divided into two political entities. The PRC rules over the whole mainland territory, and the Chinese Republic rules over Taiwan as well as the Quemoy, Pescadores, and Matsu islands. These are the jurisdictional boundaries of the two entities. We sincerely hope that France will be realistic enough to accept this fact. The PRC's claim of sovereignty (over Taiwan) is not based on today's de facto situation." Besides, he adds, this has been going on for 45 years: "You may have a visa for mainland China, but you will not have any use for it here!"

Another cause for disappointment for the Taiwanese has been the return of the notion—expressed by, among others, [French] Foreign Minister Alain Juppe before Mr. Balladur's visit to mainland China—that the Taiwanese market (20 million people) is a tiny one compared to that of the mainland (1.15 billion people). "Look at per-capita income figures: \$350 on the mainland, compared with \$10,000 here. The PRC is not as large a market as Mr. Juppe seems to think it is."

Mr. Chien does not mention what many French businessmen and economic experts have been anticipating: Ultimately, unless tensions between Taiwan and the mainland become worse than what they currently are, Taiwanese entrepreneurs and financiers will play a key

role in many industrialization projects on the mainland. They think that this at least is a trend that can no longer be ignored, since the two economies have become so intertwined that 30-year-old views of the two-headed Chinese world have become anachronistic.

This is a fact that should be taken into account during the upcoming visits to the two Chinas of [French] Foreign Trade and Industry Minister Gerard Longuet: One to Beijing, where he has promised to head an industrial mission, and one to Taipei, where he is to inaugurate a French industrial high-technology exhibition in July. Seeing how the Chinese police went about harassing people during Mr. Balladur's trip to the mainland, the true magnitude of the "Chinese challenge" is becoming apparent for French exports to both Chinas.

#### **Taipei, Paraguay Sign Accord To Avoid Double Taxation**

OW2904150794 Taipei CNA in English 1251 GMT  
29 Apr 94

[By L. K. Sheng and Y. C. Tsai]

[Text] Asuncion, April 28 (CNA)—The Republic of China [ROC] and Paraguay Thursday [28 April] entered into an agreement eliminating the need for citizens in one country working in the other to pay income tax to both governments.

Augustin Liu, Taiwan's ambassador to Paraguay, and Paraguayan Foreign Minister Luis Maria Ramirez Boettner inked the accord, which aims to promote reciprocal investments between the two countries.

Under the agreement, which will be effective for five years, nationals of each country working in the other country can still be taxed by both governments on income earned from interest, royalties, and property transactions.

This is the third such pact Taiwan has signed. It earlier entered into similar agreements with Singapore and South Africa.

Speaking at the signing ceremony, Ramirez expressed the hope that Taiwan investors would make more investments in Paraguay, thereby introducing advanced technology into the South American country.

Ambassador Liu said the agreement will help boost investment ties between the two countries, which is the Taipei Government's established policy.



## Hong Kong

### Qian Qichen Receives Hong Kong Group, Discusses Sovereignty

OW2904141494 Beijing XINHUA in English 1248 GMT 29 Apr 94

[Text] Beijing, April 29 (XINHUA)—Vice-Premier and Foreign Minister Qian Qichen said today that resumption of Chinese sovereignty over Hong Kong to protect national interests will be conducive to the maintenance of long-term stability and prosperity in Hong Kong.

Qian made the remark at a meeting with a delegation from the Hong Kong Travel Industry Council.

No matter what the British side does, the Chinese Government will not change its set goal, Qian said.

After hearing a briefing from the delegation on the development of tourism in Hong Kong, Qian said the mainland hopes for a continuing development of the tourism industry in Hong Kong while the industry on the mainland should also be promoted. A boost of tourism on the mainland will surely help promote the prosperity of the industry in Hong Kong, he added.

Qian wished the Hong Kong International Tourism Fair, to be held next month, success so as to ensure common prosperity in tourism in Hong Kong and on the mainland.

### 'Some Progress' Reported in Hong Kong Airport Negotiations

OW3004160194 Beijing XINHUA in English 1508 GMT 30 Apr 94

[Text] Hong Kong, April 30 (XINHUA)—Chinese and British airport experts are contacting each other on the issue of Hong Kong's new airport and some progress has been made, a Hong Kong-based Chinese official said here today.

Guo Fengmin, senior representative of the Chinese team of the Sino-British Joint Liaison Group (JLG), told reporters that the JLG Airport Committee will meet in a few weeks but the specific date has yet to be decided.

Guo said he was optimistic about future agreements on the airport issue although differences remain between the two sides.

The airport issue is quite complicated and covers a wide range of fields including investments, debts, land approval, management ordinance and other issues, which are interrelated, Guo noted.

### XINHUA Official Urges Support for PLA Garrison

HK0205094694 Hong Kong WEN WEI PO in Chinese 1 May 94 p A1

[Report: "Zhang Junsheng Says Hong Kong People Should Not Have Any Concern Over the Chinese Troops Stationed in Hong Kong"]

[Text] Guangzhou, 30 Apr (WEN WEI PO)—Zhang Junsheng and Zhu Yucheng, two deputy directors of the XINHUA Hong Kong Branch, stressed today that the People's Liberation Army [PLA] is of good quality and well-disciplined because it is the people's own army. Hong Kong people should not have any concern over the troops stationed in Hong Kong.

Zhang Junsheng said: "The PLA is the people's own army in our country and an important force for defending our nation. Thanks to a strong PLA, our country can be independent and enjoy a stable environment for economic construction. Therefore, we should more readily accept our PLA." A reporter mentioned that some PLA men had beaten civilians, and Zhang replied: "It is possible that one or two people in the armed forces violate discipline, and such things may happen in any country in the world. This afternoon, the leaders of the military unit also said that if such things happen, they will handle them seriously. I think that we should still set our eyes on the mainstream of the Army."

Zhu Yucheng said: "The troops to be stationed in Hong Kong in the future certainly should know more about Hong Kong, and the best troops should be selected for this mission. I hope that more activities like this will be organized. Hong Kong people should not be concerned over the PLA because they are the people's own troops and their quality and discipline are absolutely perfect."

### Bank of China Chairman Stresses Financial Stability

HK3004074494 Beijing CHINA DAILY in English 30 Apr 94 p 2

[By Ren Kan: "BOC to Help Stabilize HK Market"]

[Text] When the Bank of China issues HK dollars next month, it will be looking more toward the region's stability than economic gain, according to a senior bank official.

The bank's power to stabilize the local financial market will be enhanced with the note-issuance, Wang Qiren, Chairman of BOC, said on Thursday [28 April].

He said it will also increase Hong Kong's status as an international financial centre and ensure the region's smooth transition back to Chinese sovereignty in 1997.

Note-issuing banks will not bring any economic benefits to BOC under the current system, he said.

BOC will issue HK dollars on Monday after 20 months of preparation.

For every HK\$7.80 [Hong Kong dollars] issued, BOC must match that by depositing \$1 into the Hong Kong government's exchange fund.

A total of HK\$3 billion (\$384.6 million) will be issued this year, representing about 4 percent of the total HK notes currently in circulation.

BOC will have to bear the cost of issuing notes and the risk in the fluctuation of foreign exchange.

Wang said his bank has played an active role in ensuring the smooth operation of Hong Kong's financial system in the past few years by cooperating with the region's government.

"Participation in the notes issuance means our social responsibility has been enhanced," Wang said.

He said his bank will continue to conduct its business strictly in accordance with Hong Kong's financial laws. He said that the Bank of China's relationship with local counterparts will not be changed by the note issue.

Wang said his bank will continue to support Hong Kong and Shanghai Banking Corporation and Standard Chartered Bank as the main note issuers.

BOC is willing to cooperate with the other two banks and all other associates to contribute to the financial stability and development of Hong Kong, he said.

It has gained a firm foothold in the region and the BOC Group in Hong Kong is its largest overseas operation, as well as the second-largest banking group in Hong Kong.

Wang said the group has been supplying high quality service for local residents and firms with an objective of "taking root in Hong Kong, rendering services in Hong Kong."

By the end of last year, the group assets value mounted to HK\$700 billion with a network of more than 350 subsidiaries throughout the island, Kowloon and the New Territories.

The group's savings and credits have risen by 30 and 46 times respectively since 1978.

#### **Preliminary Working Committee Groups To Meet in Hong Kong**

*OW2804160994 Beijing XINHUA in English 1500 GMT 28 Apr 94*

[Text] Hong Kong, April 28 (XINHUA)—The political group and economic groups of the Preliminary Working Committee (PWC) of the Preparatory Committee of the Special Administrative Region of Hong Kong will hold meetings respectively here next week.

The political group will meet from May 2 to 3 and the economic group from May 4 to 5.

Attending the meetings will be Lu Ping, deputy director and secretary general of the PWC and director of Hong Kong and Macao Affairs Office under the State Council, Zhou Nan, deputy director of the PWC and director of XINHUA NEWS AGENCY Hong Kong branch, as well as other related PWC members.

Those PWC members from the mainland will attend the ceremony to inaugurate the HK dollars issuance by Bank of China.

#### **XINHUA Hails Hong Kong Preliminary Working Committee**

*OW2904124994 Beijing XINHUA Domestic Service in Chinese 0637 GMT 29 Apr 94*

[Commentary by XINHUA reporter Guo Lingchun (6753 3781 2504): "Follow the Historical Tides and the People's Will"]

[Text] Hong Kong, 29 Apr (XINHUA)—The administrative and economic subcommittees under the Preliminary Working Committee [PWC] for the Hong Kong Special Administrative Region [HKSAR] Preparatory Committee are scheduled to meet in Hong Kong in early May. People in Hong Kong have increasingly attached great importance and attention to the PWC because the role it plays has a close bearing on the smooth transfer of power when China resumes exercising its sovereignty over Hong Kong, and also on how Hong Kong will carry out the policy of "one country, two systems" and enjoy a high degree of autonomy after 1997 on the basis of the Hong Kong Basic Law. People of all circles fully endorse the work the PWC has accomplished since it was established nine months ago.

An organization whose establishment was authorized by the state's highest power organs, and the members of which are representative personnel in Hong Kong and China, the authority of the PWC is unquestionable. At this stage when the British have demonstrated no sincerity for cooperation, the PWC has taken up the formidable task of taking part in drawing up the blueprint for the development of Hong Kong—the "Pearl of the Orient"—after 1997.

The various measures the PWC has taken following its establishment show that it is pragmatism it underscores. Ever since its establishment in July 1993, it immediately proceeded to draw up plans in five areas—administrative, economic, legal, cultural, and social and security. Later, its members travelled between Beijing and Hong Kong, meeting one or two times each month since the beginning of the year to discuss issues ranging from the convergence of Hong Kong's current political system and economic framework with the Basic Law, to issues about how to expedite communications and transportation services between Shenzhen and Hong Kong.

The PWC has been proceeding with its operations in an orderly and earnest manner. It has been "screening" one by one the hundreds of regulations and statutes currently



in effect in Hong Kong, based on the principle that they should be converged with the Basic Law. It has also started examining certain major issues concerning the economy and people's livelihood, and it has placed on its agenda the ways and means of stabilizing the ranks of Hong Kong's civil servants. Some people have said that while this important consultative organ has Hong Kong's future in its view, it also has taken Hong Kong's situation into consideration; and that while what it ponders upon and plans are major and imminent issues relevant to Hong Kong's final transitional period, all the issues are associated with Hong Kong residents' vital interests. Hong Kong's media can see from the region that the PWC's work is an "indication that Hong Kong's political development has henceforth stepped into a new era."

To build a new "kitchen" according to the Basic Law, PWC members who have accepted this great trust have pooled the wisdom of even more people in Hong Kong while releasing their own energy. As a result of their lobbying efforts in Hong Kong, many legal experts have taken part in consultations, and the discussion of revising textbooks has started within educational circles. While the PWC has reflected the wishes of more Hong Kong people through rallying the strength of various quarters, the efforts the PWC has made have also proved its representative nature and credibility.

This new-born organ is now taking root among the public. Since the end of last year, the PWC Secretariat, which is located in Peddar Street on Hong Kong island, has sent 280 letters to various social groups to solicit their views on its subcommittees' planning. Thus far, over 60 groups have replied to express their views, over 60 people of various circles have expressed their views through telephone calls, and 123 people have expressed their support for the work done by the PWC and hailed PWC members for having "stepped forward for Hong Kong's smooth transition in 1997." A retired principal has sent 12 letters consecutively to state his views, and a friend from cultural circles visited the PWC, offering to do "something concrete and practical" for the PWC. Over 10 groups, including different political organizations and nongovernment institutions, have also directly stated their views while meeting with the PWC's Hong Kong members. What they think and worry about coincide with the PWC's on-going projects, namely the convergence of laws, issues about the right of abode, as well as exit and entry after 1997, education on state and national concepts, and change of housing policies—issues ranging from macroscopic understanding to suggestions on minuscule matters—and they have also urged people to watch out for the "moves" of the British side during the remaining few years.

Although the PWC's history has been short, its role cannot be underestimated. More and more countrymen in Hong Kong have expressed confidence in it and placed great trust in it. Shouldering the expectations of the people in the country, including the people in Hong Kong, the PWC has been carrying on with its glorious

mission through soliciting constructive proposals, working earnestly, and following the historical tides and the will of the people.

### **Lu Ping's Welcome Tempered by Refusal To Meet Governor**

*HK0205042494 Hong Kong SUNDAY HONGKONG STANDARD in English 1 May 94 p 2*

[Commentary by Political Editor Mary Binks]

[Text] When China's most senior official in charge of Hong Kong affairs, Lu Ping arrives in the territory this afternoon it won't be to the fanfare of a people straining to return to the fold of the mother country. Rather, the reception of Mr Lu may well be akin to the Zen concept of "the sound of one hand clapping". The wish to applaud the visit will be tempered by the uncertainties of the transition of rule and the realisation that the bitterness which has fuelled those uncertainties is as entrenched as ever.

Mr Lu's refusal to meet Governor Chris Patten is one of the clearest signs yet that the fallout over political reform is hindering cooperation on other transitional issues as much as it ever did. Until now, both sides have at least attempted to bridge the gulf with rhetoric.

China believes that Mr Patten breached key understandings between the two countries by unilaterally embarking on constitutional reform. But Mr Patten hasn't acted alone. And what China doesn't seem to realise is that by attempting to isolate the Governor it risks isolating the people of Hong Kong by exacerbating their uncertainties and alienating their sympathies.

As much as China may want to, it will be impossible to undermine Chris Patten's influence on Hong Kong matters in the run up to 1997. Rather, in this case in particular, the Chinese leadership has allowed Mr Patten to launch a counter-offensive against Mr Lu's rejection of his invitation. The Governor has scored some points in suggesting that the Chinese side has not been prepared to put aside injured national pride for the sake of discussing the concerns of Hong Kong people in the transition period.

The civil service is jittery over whether there'll be sufficient seats on the through-train straddling 1997. There is no through-train for the three tiers of government, and China's economic problems coupled with its crackdown on dissidents has caused widespread unease.

Mr Lu will, of course, have extensive and thorough discussions with China's 200 or so advisers in Hong Kong, community think-tanks and business leaders over the course of this week. But the advice he receives may not differ much from that which has been channelled through the regular Hong Kong-China conduits of the National People's Congress and the Beijing-appointed Preliminary Working Committee (PWC).



The meetings of the PWC—for the first time in the territory this week—will no doubt show the people of Hong Kong that Beijing is perfectly capable of looking after their interests despite its strained relations with Britain. That may be cold comfort for the majority of people who are not deluded into thinking that China indulges in grassroots decision-making. The PWC isn't seen as a power broker in Beijing and the plethora of Hong Kong advisers has little more influence. The real decisions are made within the upper echelons of the Chinese leadership. Everyone knows that.

What the Hong Kong people want to see is some semblance of cooperation between the two sovereign states as the only sure way to minimise uncertainty and instability in the run up to 1997. How much clout did Mr Lu have in deciding whether to accept the Governor's invitation to meet anyway? Surely a decision to meet would not depend entirely on Mr Lu but on the approval of more senior Chinese leaders.

#### Governor Patten Downplays Lu Ping 'Snub'

HK3004063494 Hong Kong EASTERN EXPRESS in English 30 Apr 94 p 2

[Text] As the war of words between Hong Kong and Beijing took another turn, the Governor, Chris Patten, yesterday shrugged off the snub by Lu Ping, director of the Hong Kong and Macao Affairs Office, who said he would not meet him during a trip to Hong Kong next week. "I've got a busy programme next week as some of you may know so I don't feel particularly neglected," Patten said. But he added: "Even though I'll have a busy schedule next week, as he does, I'll be prepared...to change the schedule at any time if it was convenient to director Lu Ping."

According to an opinion poll conducted for EASTERN EXPRESS, more than 70 percent of respondents think Lu should meet the Governor. "I think the people of Hong Kong want to see us cooperating. I think they want to see us getting on with planning for the future. I think they want to see us working in the interest of the livelihood of the whole community," Patten said. "But, I've expressed my point of view, and I am sorry that director Lu Ping's schedule is so busy."

He said it was the Hong Kong government and the Executive Council that invited the Bank of China to become a note-issuing bank. He said it illustrated the extremely good financial cooperation between Hong Kong and China, which was an important part of the transitional process. Patten said that, although he was not invited to meet Lu, he hoped those who went to the "important ceremony" celebrating the issue of new notes would have a "smashing time". He denied a report by a British newspaper that his heart was in the United Kingdom and he was hoping to go back to the UK as soon as possible, saying he went to London as frequently as his predecessor.

Zhang Jun-sheng, the deputy director of the local New China News Agency (XINHUA) said Lu's refusal to meet the Governor did not violate the Memorandum of Understanding (MOU). "The MOU said the director of the Hong Kong and Macao Affairs Office should meet the Governor, but it did not say when. When there is a meeting between the two, there should be something to talk about," said Zhang.

Tsang Yok-sing, chairman of the Democratic Alliance for Betterment of Hong Kong (DAB), was disappointed by Lu's refusal to meet Patten. "We hope Lu and Patten can meet as soon as possible. Of course, we do not think one meeting can resolve all the issues. But still we believe meeting with Lu and Patten will be helpful," Tsang said. "We have been all along proposing to both governments that normal and regular meetings between Lu and Patten would be necessary an important for Hong Kong' smooth transition."

DAB's vice-chairman, Tar Yiu-chung, believed that the excuse of "having a busy schedule" was "superficial".

#### More on Patten's Reaction

HK3004063894 Hong Kong HONGKONG STANDARD in English 30 Apr 94 pp 1, 3

[By Jonathan Hill and Shiny Li]

[Excerpt] Governor Chris Patten has thrown a veiled insult at senior Beijing official Lu Ping, warning that any deliberate attempt to avoid him during a visit to Hong Kong would be perceived to be "small-minded". Mr Patten played down the apparent snubs by Mr Lu, the director of the Hong Kong and Macao Affairs Office, and the Bank of China yesterday, saying he did not feel "particularly neglected".

Mr Lu, who arrives in the territory tomorrow, has rejected an invitation to meet Mr Patten to discuss transitional issues. The Governor has also been left off the guest list of a Bank of China ceremony on Monday to celebrate the issuing of Hong Kong banknotes.

In an interview with the Sing Tao Group, Mr Patten said he regretted Mr Lu's refusal to meet him. "If it was deliberate, which I can't believe, I think it would seem to people to be rather small-minded, so I can't believe that it is meant in that way," Mr Patten said. "If he phoned up this afternoon we could clear the diary."

Mr Patten said he wanted to discuss the government's measures for tackling property speculation with Mr Lu because the issue straddled 1997. "It's partly because there are longer term implications that I was very keen to discuss the issue very candidly with Mr Lu," he said. "I think the people of Hong Kong want to see us cooperating."

Mr Patten earlier responded to the Bank of China's snub, saying he hoped everyone who had been invited to the ceremony had a "smashing time". It was the second time the Governor was snubbed by Chinese officials in 24

hours. Nevertheless, Mr Patten continued to garner political points in suggesting that Mr Lu was too busy to discuss the livelihood issues affecting Hong Kong people in the transitional period.

Banking officials said earlier that Mr Patten was not on the guest list for the ceremony because it was a financial matter and therefore not appropriate to invite him. The Governor stressed that financial officials from the Hong Kong government, including the Director of the Monetary Authority, Joseph Yam, would be free to attend if they wished. Financial Secretary Sir Hamish Macleod embarks on a trip to Britain today and will not attend. A number of Hong Kong officials had extremely good working relationships with the financial—authorities in China and it "would be a shame if they weren't able to go to what is an important ceremony," Mr Patten said. [passage omitted]

#### Patten's 'Last-Ditch' Effort To Meet Lu

HK0105081094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 May 94 pp 1,2

[By political staff]

[Text] The Governor, Chris Patten, made a last-ditch attempt yesterday to secure a meeting with visiting Hong Kong affairs chief Lu Ping, as Beijing announced that high-level talks on airport funding would begin within weeks. Mr Patten said he was prepared to receive Mr Lu—who arrives in Hong Kong tonight—in his capacity as a representative of the Preliminary Working Committee (PWC), despite a government ban on official contacts with the Beijing-appointed body. "That would create no difficulties for me," Mr Patten said, in response to a question from the SUNDAY MORNING POST. "It doesn't matter what hat he wears, whether it's head of the Hong Kong and Macao Affairs Office or Secretary-General of the PWC, the important thing is there is a long agenda of issues and the people of Hong Kong expect us to get on and find solutions."

The comments came as the Chinese Joint Liaison Group team leader Guo Fengmin revealed that contacts were under way to fix a date for a meeting of the Airport Committee, which has not convened since August. Mr Guo was "optimistic" about making progress. "We are prepared to hold the Airport Committee meeting in a few weeks' time, but we have to discuss the exact date with the British," he said. "There is still a gap between the two sides but there has already been some progress." It will be the first opportunity for the committee to discuss the fresh financing package for the Chek Lap Kok project that the Government put forward in January. The Chinese side has raised no major objections to the plan.

Mr Patten's offer to meet Mr Lu was last night welcomed by advisers to Beijing, who warned that China could undermine its position by continuing to snub Mr Patten. But XINHUA (the NEW CHINA NEWS AGENCY) insisted a meeting between the two remained impossible.

Until now, the Government has barred all official contacts with the PWC. Secretary for Economic Services Gordon Siu Kwing-chue was denied permission to brief a PWC economic sub-group. A government source insisted Mr Patten's remarks did not amount to a recognition that the PWC could replace existing diplomatic channels.

The Governor's offer comes after mainland officials said that since Mr Lu's nine-day visit was in the capacity of PWC Secretary-General, meeting the Governor would be inappropriate. "Mr Patten has tried his best to create a good environment for a meeting with Mr Lu and if Mr Lu still resists this, then it will undermine his image among Hong Kong people," leftist legislator Tam Yiu-chung said. "Even if he refuses to agree to a formal meeting, at least Mr Lu could meet and shake hands with Mr Patten at a public function."

In Guangzhou, newly-appointed Hong Kong Affairs adviser Anthony Cheung Bing-leung said the Governor's offer showed he was adopting a more pragmatic approach towards the PWC. But XINHUA Assistant Director Li Weiting said Mr Patten's remarks would make no difference: "I don't think this will help. Mr Lu is terribly busy this week and has to hurry back to Beijing to attend some meetings." In Hong Kong, XINHUA Deputy Director Zheng Guoxiong said it was more important for Mr Lu to spend his time meeting ordinary members of the community. "Mr Lu is visiting Hong Kong in the capacity of Secretary-General and Vice-Chairman of the PWC, to take part in meetings of the PWC's political and economic sub-groups," Mr Zheng said. "His schedule is really tight and he is unable to meet the Governor. He will use his very limited time to meet all sectors and groups in Hong Kong society."

#### Lu Ping Arrives in Hong Kong

HK0205041994 Hong Kong TA KUNG PAO in Chinese 2 May 94 p 2

[Report: "Lu Ping and Party Arrived in Hong Kong Last Evening; Zhou Nan Hosted Welcome Banquet"]

[Text] Lu Ping, deputy chairman and secretary general of the Preparatory Working Committee, yesterday (1 May) came to Hong Kong from Guangzhou by through train along with mainland members of the Political and Economic Affairs Groups of the Preparatory Working Committee. He allowed Hong Kong and Macao reporters to take pictures of him on the platform at the Hungnam Railway Station. Qin Wenjun, deputy director of the XINHUA Hong Kong Branch, met Lu Ping at the railway station.

Lu Ping will preside over the seventh meeting of the Political Affairs Group of the Preparatory Working Committee today (2 May) and will attend the Bank of China's note-issuing inauguration ceremony.

The Political Affairs Group of the Preparatory Working Committee will hold a two-day meeting in Hong Kong,



its first meeting in Hong Kong. Tsang Yuk-sing, a member of the group, said that he had not received the official notice about the agenda of the meeting. According to the objectives already set by the group, the discussions on most issues had been completed, and only the issue of the transition of the consultative organs had yet to be discussed. The group will submit a report to the Preparatory Working Committee, and it is believed that the meeting will focus on these issues.

The Preparatory Working Committee will hold the meeting at the villa owned by XINHUA in Stanley. Tsang Yuk-sing said that, because Lu Ping would attend the banknote issuing ceremony at the Bank of China today, the Preparatory Working Committee meeting will begin at 1000. Yesterday evening, Zhou Nan, director of the XINHUA Hong Kong Branch, held a banquet at the Stanley villa in honor of the mainland members of the Political and Economic Affairs Groups of the Preparatory Working Committee. Zhou Nan delivered a welcome speech, expressing his warm welcome to the mainland members of the Preparatory Working Committee, and wished the meeting great success.

Lu Ping, deputy chairman and secretary general of the Preparatory Working Committee, and Qin Wenjun and Chen Ziyang, deputy secretaries general of the Preparatory Working Committee attended the banquet. The mainland members of the Political Affairs Group are Xiao Weiyun, Wang Fengchao, Shao Tianren, Zhao Jihua, Zhou Chengkui, and Chen Wei. The mainland members of the Economic Affairs Group are Gao Shangquan, Gan Ziyu, Wan Shaofen, Wang Qiren, Chen Yuan, Jing Shuping, Zhou Xiaochuan, Li Weiting, and Yu Xiaosong.

Zheng Guoxiong and Zhu Yucheng, deputy directors of the XINHUA Hong Kong Branch, and the responsible persons from the departments concerned of the XINHUA Hong Kong Branch also attended the welcome banquet.

#### **Lu Ping Evades Xi Yang Protesters Upon Arrival**

HK0205074594 Hong Kong SOUTH CHINA  
MORNING POST in English 2 May 94 pp 1-2

[By Linda Choy and Irene So]

[Text] China's top official in charge of Hong Kong affairs last night evaded a mass protest set up for his first visit to Hong Kong in two years. Lu Ping slipped by more than 100 protesters and journalists waiting for him in the lobby of the Kowloon-Canton Railway station at Hung-hom.

A coalition of about 120 groups charged Mr. Lu with being insincere in his claims of wanting to listen to Hong Kong people's views during his 10-day visit. They vowed to continue their protest in the coming few days until they successfully conveyed their discontent on the sentencing of Hong Kong reporter Xi Yang to Mr. Lu.

Following the unsuccessful attempt to meet Mr. Lu, about 10 representatives from the Coalition for the Release of Xi Yang marched to the Bank of China Building in Central, where Mr. Lu is to attend the bank's note issuance ceremony today. They set up tents outside the bank and pledged to stay there all night. Pro-democracy activist Lau Shan-ching said Mr. Lu was acting like a mouse, being too afraid to face his critics.

"Didn't he say that he was coming to Hong Kong to meet the people of Hong Kong? What is the point of him escaping from us like that?" he said. Mr. Lu took the 4:13 pm train from Guangzhou yesterday afternoon, accompanied by officials from the Hong Kong and Macao Affairs Office, of which he is director, Chinese members of the Preliminary Working Committee (PWC) and about 200 members of China's National People's Congress, Chinese People's Political Consultative Conference, local PWC members and some of Beijing's Hong Kong Affairs Advisers.

They arrived at Hung-hom at 6:50 pm and immediately walked from the Carriage No. 6 to a Mercedes-Benz limousine which had been driven into the cargo area near the platform. He and a band of security men boarded the limousine and left the station without seeing the protest in the arrival hall, one floor above. There was no official greeting from the Hong Kong Government.

A short press briefing scheduled after his arrival was cancelled because of the "large crowd" waiting at the station lobby.

Mr. Lu's refusal to meet the protesters follows his earlier rejection of talks with Governor Chris Patten, who had sought discussions on a wide range of unsettled matters relating to the handover in 1997. Before his arrival, Mr. Lu shrugged off an invitation from Mr. Patten to discuss the transition of the civil service and measures to curb the escalating property prices.

While turning Mr. Patten down, Mr. Lu has included in his tight schedule a meeting with at least five of the most influential civil servants associations next Saturday.

#### **WEN WEI PO Criticizes Patten's 'Political Show'**

HK0205070094 Hong Kong WEN WEI PO in Chinese  
30 Apr 94 p A2

[Editorial: "Rely on the Hong Kong Residents To Realize a Stable Transition"]

[Text] Lu Ping, in his capacity of vice chairman and secretary general of the Preliminary Work Committee [PWC], will come to Hong Kong to attend meetings of the political and economic ad hoc groups of the PWC and to solicit the Hong Kong people's opinions on affairs related to the late transitional period. During his stay here, Lu Ping will also meet with Hong Kong deputies to the people's congress, members of the Chinese People's



Political Consultative Conference [CPPCC] committee, representatives of grass-roots masses, and public figures from all walks of life.

Since Chris Patten has upset the process of convergence with the Basic Law and is unilaterally enforcing his constitutional reform program, China now harbors no illusions about him. The Chinese side is instead working in a down-to-earth manner to achieve a stable transition and is widely soliciting opinions among the Hong Kong people. A stable transition would be impossible in the late transitional period without Hong Kong people's participation, their ideas and wisdom, and their joint efforts as the masters of the city. Only by closely relying on the Hong Kong people, listening to their appeals, and getting familiar with the actual operation of this city, will the Chinese side be able to formulate a complete transition program which conforms with the Basic Law and suits both the historical conditions and present reality of Hong Kong. Although Lu Ping's stay in Hong Kong would only be a very short one, it is believed that he will try his best to meet as many Hong Kong people as possible and to listen to as many valuable views as possible from the Hong Kong people.

As for Chris Patten's expressed hope for a meeting with Lu Ping, because Lu's schedule will be tight this time, it is believed that this can be postponed to a later, more appropriate time.

China is relying on the Hong Kong people as the force supporting the resumption of the exercise of sovereignty over Hong Kong and safeguarding the territory's prosperity and stability. No matter how Chris Patten is trying to undermine convergence in the constitutional system by playing the "international card" and attempting to drain Hong Kong of its economic resources, China has the confidence in and the ability to ensure a stable transition and the implementation of the principle of "one country, two systems" in Hong Kong, as long as it can enlist the Hong Kong people's support. Therefore, it is essential for the Chinese side to keep informed of local circumstances and public opinion in Hong Kong.

Chris Patten said he would roll out the red carpet for Lu Ping and that he is willing to meet with Lu Ping. This is nothing but another "political show" of a perfidious politician. Chris Patten does not have the slightest sincerity about keeping his promise. He ignored the agreements reached between China and Britain; when China and Britain were about to conclude a first-stage agreement on the constitutional matter, he insistently "derailed" the process; and he has time and again breached faith, undermined cooperation, and spoiled the atmosphere for meeting. Even if Lu Ping were to meet with him for one or two hours during his stay here, what would be the use?

Will Chris Patten assist China in ensuring a stable transition? No, he will not. Not long ago, the PWC expressed the hope of hearing the Hong Kong civil servants' opinions on a stable transition, and it was Chris

Patten who deprived the civil servants of the opportunity to voice their opinions before the PWC. If we want to ensure the stable transfer of civil servants, then it is essential for us to hear their opinions. Chris Patten has not only tried to bar civil servants from voicing their opinions, but has also belittled the status of the PWC in every aspect through his henchmen mouthpieces. Now that Lu Ping, in the capacity of vice chairman and secretary general of the PWC, is coming to Hong Kong to solicit opinions, is Chris Patten going to change his attitude? If he does not change his attitude, then what is the use of a meeting? Let us take the implementation of the memorandum of understanding on the new airport project as an example. Up to now the issue has remained unsolved simply because Chris Patten has deliberately breached the commitment of not leaving a financial burden for the special administrative region [SAR] government and not letting the total amount of debt exceed 5 billion Hong Kong dollars. Furthermore, he has been trying to have his project approved on a piecemeal basis. As long as he does not change his stand, the obstacle to cooperation on the airport project issue will still be there. Negotiations between the two sides will produce a positive outcome only if he changes his stand. In citing the memorandum of understanding, this perfidious politician would only expose his hypocrisy and remind people of who has actually violated the agreement. There are many channels for consultation between the Chinese and British sides, including the joint liaison group, the expert groups, and contacts between the political adviser to the Hong Kong Government and the External Affairs Department of the XINHUA News Agency Hong Kong branch. Chris Patten quite simply is not using these channels of communication and instead is insisting on holding talks with Lu Ping, despite the latter's tight schedule in Hong Kong. This clearly implies that he is "playing a trick."

In order to alleviate the pressure that he is facing in political circles at home, Chris Patten purposely granted an interview to the GUARDIAN in late April. He misinterpreted facts in an attempt to cheat the British electorate and mislead the public, saying that the Chinese side "has relaxed its stance" and some recent moves by the Chinese side have proven the correctness of his prediction.

To prove his talent for telling lies, he is now brazenly putting on a show and insisting on meeting with his counterpart. If his little trick had worked, of course he would loudly boast that his confrontation of the Chinese side has done no harm to Sino-British relations, and that China is dancing according to his "lead." If his trick were to fail, he would say that he does not mind losing face.

This is a common trick frequently played by charlatans. To deal with this kind of brazen ploy, the Chinese side of course needs to be somewhat serious. You want a meeting, well, there will be plenty of opportunities in the days to come. But, first of all, for your part, you must create a good atmosphere for a meeting, simply making empty talk through "megaphone diplomacy" does not

work. As far as economic affairs and the people's livelihood are concerned, China will certainly take the Hong Kong people's interests into account. Evidence of this is the recent agreement on increasing land leases to keep down property prices. The consultations were conducted through the land committee, which is a good example of cooperation. Chris Patten, as the chief executive officer, should do a solid job and take measures to keep property prices down after land leases are increased. This is his duty. If he takes no action but is busy at home making visits with the aim of keeping abreast with the latest political developments in Britain and paving the way for his return to Westminster, then he will convince no one, even if he repeats ten thousand times his claim that he is working "for the Hong Kong people's interests." By asking to "discuss the property price issue with the Chinese side," the man seems to imply that the Chinese side must share the blame if the British side cannot solve the problem. Is this not too cunning a ploy?

#### **Poll Shows Majority Want Lu Ping, Patten Meeting**

HK2804071894 Hong Kong EASTERN EXPRESS in English 28 Apr 94 p 1

[By political editor Chip Tsao and Rain Ren]

[Text] Lu Ping, the director of the Hong Kong and Macao Affairs Office, yesterday flew in the face of public opinion by formally refusing to meet the Governor, Chris Patten, during his visit to the territory, which starts on Sunday. Lu's snub was delivered on the day that an opinion poll showed an overwhelming majority of the Hong Kong public want him to put aside his differences with Patten.

According to the poll, prepared by the public opinion survey centre of the Oriental Press Group, for Eastern Express and Oriental Daily News, 71 percent of those questioned think Lu should meet the Governor and 65 percent support Patten's written invitation to Lu to meet him. Another 74 percent said Lu should then invite the governor to visit Beijing to talk about Hong Kong issues.

This will be Lu's first visit to Hong Kong since Patten took office in 1992. They have only met once, shortly after the Governor had published his reform plans that angered China.

Patten said yesterday that he was disappointed by Lu's decision. "Today, director Lu Ping has written to say that his schedule is so busy in Hong Kong that he won't, on this occasion, be able to visit and to have a discussion though I think he suggested that there may be opportunities in the future which, indeed, I very much hope is the case," he said. "I am prepared to cross any street, open any door, shake any hand, talk to anyone if it is in the interest of Hong Kong. I think that is what people in Hong Kong would expect. I think people in Hong Kong want us to talk together."

The Governor said that in his letter inviting Lu to a meeting, he suggested two topics for discussion. "The first is the whole question of property prices because I want to put him in the picture about how we saw the situation and what we thought was the right way forward in tackling it," he said. "The second issue which I said I would like to talk to him about was the transition of the civil service which is another issue which is important for us both."

The Governor's views are reflected in the poll, which shows more than half the people—53 percent—think the two should discuss political issues. Another 40 percent believe Hong Kong people's livelihood should be on the agenda. However, 46 percent believe it would be unlikely that Hong Kong-Chinese relations could be improved even if there was such a meeting, while 38 percent were optimistic that a meeting between the governor and Lu would result in an improvement of relations.

The poll was conducted on Tuesday and yesterday, interviewing a representative cross-section of 260 people.

According to the 1991 Memorandum of Understanding signed by the British and Chinese foreign ministers, there should be regular meetings between the Governor and Lu to discuss Hong Kong affairs. The Governor said that if Lu's schedule was too busy to meet him, it must be too busy to meet any senior civil servants as well.

Mike Hanson, the senior government spokesman, said yesterday the poll was "revealing." "It shows that the people of Hong Kong want Lu Ping to meet the governor to discuss important issues that people are worried about. If such a meeting does not happen, it is for the Chinese to explain why," he said.

Li Weiting, an assistant to the director of the local New China News Agency (Xinhua), said since Hong Kong was a part of Chinese territory, the British administration here was nothing more than a "caretaker" and Xinhua was Hong Kong's "real master," it was natural that Lu would not meet the governor.

The United Democrats are writing a letter to Lu to request a meeting with him while he is in Hong Kong, to address their concerns, such as the case of Xi Yang, the Ming Pao reporter sentenced to 12 years' imprisonment.

A pro-China legislator, Tam Yiu-chung, of the Democratic Alliance for the Betterment of Hong Kong (DAB), also said Lu should meet the Governor although the atmosphere was "not quite right" for such a meeting. "It will do Lu no good if he refuses to meet Patten. But it shows that China is still cross about Patten and Britain. We hope in future there will be such a chance," said Tam.

Hong Kong journalists also plan to lobby Lu to free Xi and petition him to relax the reporting restrictions in China.



Lu arrives in Hong Kong on Sunday from Guangzhou and will stay for about eight days. He will meet the Preliminary Working Committee members, Hong Kong affairs advisers, and delegates to the National People's Congress and the Chinese People's Political Consultative Conference, all appointed by China.

### Editorial Urges Lu Ping To Cooperate

HK3004063294 Hong Kong SOUTH CHINA MORNING POST in English 30 Apr 94 p 16

[Editorial from the "Comment" page: "A Positive Message"]

[Text] Lu Ping's snubbing of the Governor of Hong Kong on his visit here next week sends a depressing message to the people of the territory. It seems to say that China has no interest in bridging the political divide. For the sake of an insult, China is prepared to risk damaging its own credibility as a calm and pragmatic sovereign power.

The snub is compounded by his decision to meet civil service associations, although at least this shows he is prepared to hear the views of those who will be expected to make Hong Kong work after 1997.

The main purpose of the visit—attending the ceremony marking the Bank of China's debut as a note-issuing bank here—shows the Director of the Hong Kong and Macao Affairs Office is also a man who cares about the territory's economic well-being. He is putting his anger at Britain's alleged perfidy aside and taking part in one of the most important gestures of confidence in the Sino-Hong Kong relationship either side has been prepared to make since the signing of the Memorandum of Understanding on the Airport in July, 1991.

Whatever the tensions of the political relationship, the Bank of China's new role is more than just a symbol of the return to Chinese sovereignty. The bank has acquired the prestige of being one of the three institutions privileged to issue notes and has the prospect of becoming the main note-issuer in years to come. But it also has accepted responsibilities and obligations. It has taken on a commitment to helping maintain Hong Kong's economic equilibrium.

In an ironic twist not intended when Hong Kong agreed to the note-issuing function in 1991 (when the political through train was rocking dangerously but still on track) the bank's new role shows that the economic through-train is still firmly on the rails.

With the growing economic integration between Hong Kong and Southern China, and the large volumes of Hong Kong currency in circulation there, the Bank of China's higher profile in the territory is no more than a belated recognition of China's existing economic role here.

### Reaffirm Commitment

Mr Lu's decision to officiate at the note-issuing ceremony is an ideal opportunity for him to reaffirm China's commitment to making that integration work still more efficiently, for the benefit of both sides.

His visit, coupled with his less than diplomatic behaviour towards Mr Patten, is symbolic of China's much-vaunted determination to separate politics from economics. It is symbolic, too, of its commitment, three years before the change of sovereignty, to ensuring a smooth economic transition.

Symbols alone, however, are not enough. Despite the pious phrases from both sides about the need to knuckle down to business as if the political impasse did not exist, their inaction has often spoken louder than their words.

Hong Kong is still waiting, with a patience born of necessity, for agreement on the airport and rail link financing package. Yet almost three years have passed since the signature of the Airport MOU [Memorandum of Understanding], which was supposed to put an end to the squabbling.

### Watching Helplessly

Hong Kong is still hoping for a resolution of the row over Container Terminal 9, although the delay is already threatening to affect the territory's economic prospects.

Hong Kong is still watching helplessly while the stalling over international air service agreements erodes confidence in its future as an aviation hub and undermines the public's confidence in the viability of Chek Lap Kok.

Aside from the CT9 [Container Terminal 9] row, co-operation within the Sino-British Land Commission has been excellent. But in the Joint Liaison Group, where economic and political matters are intertwined, progress has been painfully slow.

It is the infrastructure row, however, that has been a particular hobby-horse of Mr Lu's ever since Sir David Wilson announced his Port and Airport Development Strategy [PADS] as a confidence-boosting measure in October, 1989. In Mr Lu's memory of the period, it was the announcement of PADS, without prior consultation with China, which marked a serious deterioration of the Sino-British relationship. Yet that misunderstanding was supposed to have been cleared up by the Airport MOU.

Mr Lu long ago recognised the value of Hong Kong's economic and infrastructural developments to China and to the expansion of its role as a gateway and service hub to the entire region.

It is time Mr Lu gave some new positive impetus to the economic development of the territory and the region it serves by overcoming the psychological hurdle the airport seems to represent for him and giving the go-ahead for these much needed projects.



Next week's note issuing ceremony would be the perfect occasion for such a bold new initiative. And that would be the most positive message he could give the people of Hong Kong.

### **Hong Kong Editorial Criticizes Lu Ping**

HK0205075094 Hong Kong *EASTERN EXPRESS* in English 2 May 94 p 18

[Editorial: Lu Ping: Poor Start to Vital Visit]

[Text] So, Lu Ping, director of the Hong Kong and Macao Affairs Office, you have finally got here. It has taken you a while, but let us hope the wait has been worth it.

It must be said that first impressions left a lot to be desired. You arrived at Hung Hom KCR station without saying a word, despite the fact that a senior member of your entourage said that the New China News Agency (Xinhua) was organising a press conference for you. Xinhua staff later denied knowing anything about a press conference.

This looks really bad. It gives the impression that either you, Xinhua, or perhaps both have very little idea about either the art of public relations, basic organisational skills or perhaps both. We would like to think that matters will improve on this front.

The less time you spend inside the luxury Xinhua villa in Stanley the better.

Many things have changed since your last visit in 1992, some that you know about, some you do not. So make the most of your visit. Make sure that by the time you leave you know what is going on in Hong Kong. In theory, that should not be difficult.

You can start by talking and listening to as many different people as possible, not just the fawning flunkies who will be crawling at your feet every step you take.

Relying on information from a bevy of pro-Beijing sycophants is both silly and dangerous. Silly because the majority of these people have not got the guts to tell you anything that you do not want to hear. Dangerous because it leaves you in the dark about what is really going on in Hong Kong and what most people here are thinking.

When you talk to people, speak in plain terms, not in diplo-babble. Let them know what is happening about the new airport, Container Terminal 9, and all the other big issues that need to be sorted out as soon as possible for the good of the territory.

The average person in Hong Kong wants reassuring that life will go on as normal for them and their children after 1997. They want to know what China is doing to guarantee the much-touted "stability and prosperity" of

Hong Kong. They want to believe that China understands both how Hong Kong works and the people who live here.

There are many things people do not want to hear. They do not want to hear you attempt to score a series of political points against Governor Chris Patten or the British government. They certainly do not want to hear yet another round of bickering between you and the Governor. They do not want to know. They are bored with it. They have heard it all before.

They have already told you through an opinion poll conducted by this newspaper that your decision not to meet Patten was a bad one. Seven out of 10 people interviewed thought you should talk to him.

The exchange of unpleasanties that accompanied the snub was also unnecessary. You said you were too busy to meet him. He said: "I've got a busy programme...so I don't feel particularly neglected." What nonsense. How silly.

When you are listening, listen hard. Again, do not just listen to people who are going to tell you what you already know. Listen to people who may tell you things you do not want to hear (there are plenty of them).

One thing many people in Hong Kong have to say is: "If it ain't broke, don't fix it." In other words, the less interference, the less meddling, the better.

How times have changed since your last visit in 1992. Then, it was all sweetness and light—well, almost. There were occasional spats about the airport (at least some things do not change) and changes to the committee structure of the Legislative Council, a subject that seemed controversial at the time.

That, of course, was before the arrival of that "Man of Guilt" Patten and his strange ideas about electoral reform.

In 1992, Lord Wilson (then just humble Sir David) said his regular meetings with you were a good idea as they gave both sides a chance to discuss matters of concern. It is just the sort of jolly sensible thing that a reserved and scholarly diplomat would say. And he was right, of course.

But Lord Wilson is history, as are many of the policies and attitudes associated with his governorship. Gone are the days when almost every legislative councillor accepted almost everything they were told by government. Gone too is a government that snaps to attention every time Beijing barks an order.

Instead, we have political parties that bicker and rant just like political parties do in other countries. We have legislators who make a nuisance of themselves by calling for inquiries and asking difficult questions.

All this may appear rather odd to you, even disturbing. It was always going to be easier to inherit a docile population accustomed to doing what it was told.

Please take careful note that this is not the case. Beijing should know this. Times have changed. Please change with them.

We hope you enjoy your stay and look forward to your next trip. Let us hope it is not another two years before you visit again. You cannot afford to wait that long. Nor can Hong Kong.

#### Two 'Rising Stars' Part of Lu Ping Entourage

HK0105082394 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 1 May 94 p 17

[Unattributed report]

[Text] Joining Lu Ping this week will be two rising stars of the Hong Kong and Macao Affairs Office: administration director Xu Ze and economic director Zhang Liangdong.

Relatively young in years—Mr Xu is 38 and Mr Zhang is 40—both are potential successors to Mr Lu. Unlike their chief, however, both have previously done their best to keep a low profile. They seldom respond to questions from reporters at public functions and are therefore rarely sought for comment. However, January's high-level reshuffle at the Hong Kong and Macao Affairs Office, which elevated both to their present posts, has thrown them into the spotlight. Mr Xu is now in charge

of political affairs, which covers such crucial issues as the fate of the Legislative Council after 1997 and the future of the civil service, while Mr Zhang's economic remit includes responsibility for the Chek Lap Kok project.

Their appointments were out of character for the Chinese bureaucracy, which normally appoints elderly cadres to such key posts. They are also highly unusual in that, unlike most mainland officials handling Hong Kong affairs, both are from Guangdong province and speak fluent Cantonese. Mr Xu, who is said to be highly regarded by Mr Lu, made his mark during last year's Sino-British negotiations on political reform. Although he did not take part in the 17 rounds of unsuccessful talks, he is believed to have played a key role in formulating the Chinese team's counter-proposals on Hong Kong's 1994-95 polls. At the time Mr Xu was deputy director of the Hong Kong affairs office's First Department, later renamed the Administration Department. In this position, he met a wide range of delegations from the territory, and accompanied Mr Lu to meetings with them whenever political affairs were on the agenda.

The two rising stars were also classmates: they were part of the second batch of students to begin tertiary studies following the re-opening of mainland universities at the end of the Cultural Revolution. Admitted to the Chinese Language Department of Zhongshan University in Guangzhou in 1978, they joined the newly-formed Hong Kong and Macao Affairs Office immediately after their graduation in 1982. Mr Zhang also did a stint as First Secretary at the Hong Kong office of the Chinese Joint Liaison Group team. He returned to Beijing in 1990 and later studied in Britain.

**END OF**

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